FALL 2012 REPORT
REVEALING KEY PRACTICES FOR EFFECTIVE RECOGNITION
Recognition at work has emerged over the past decade as a critical way for companies to keep employees happy and engaged with their organizations. Its proven results are a driving factor for the growth and widespread adoption of recognition programs.

But not all recognition is equal. In fact, it turns out that when recognition is more strategic—aligned with clear organizational goals and values—it is considerably more effective. We see these results in employee engagement, retention levels, understanding of objectives, enablement and motivation to succeed.

Twice a year, Globoforce surveys fully-employed workers in the United States. Our goal is to gain more insight into their attitudes and perspectives on recognition, engagement, and performance. By extension, we aim to capture the current mood of the U.S. workforce and examine broader trends in recognition and job satisfaction.

The volume of data we have collected confirms industry and analyst findings about the significant value of recognition in engaging employees and achieving business results. However, not all recognition practices are equally effective; some key practices yield distinctly better results than others.

In the fall 2012 Workforce Mood Tracker survey, we focused our lens on what sets great recognition apart from simply good recognition. What did we discover? We found that effective recognition is a determining factor in reducing employee turnover. We also found that some kinds of appreciation are far more impactful. Perhaps most significantly, we found that when recognition is strategic—that is, one unified program tied back to company values—it is substantially more effective in engaging and motivating employees to succeed.
KEY FINDINGS

These are our findings, compiled from 742 survey respondents:

1. Over the past two years, employees are growing more satisfied in their jobs as their satisfaction with recognition grows.

   When we compared trends over our past three surveys, we found that both employee satisfaction and their satisfaction with recognition are making steady gains in the workplace.

2. Employees are jumping ship because of a lack of recognition.

   42 percent of surveyed employees plan to look for a job in the next 12 months. We asked those employees why they were leaving and found the exodus is largely fueled by a lack of effective recognition.

3. Strategic recognition reinforces core values and organizational objectives.

   Employees in companies with recognition programs tied to core values are far more aligned with organizational objectives. Employees who are in touch with those core values are also more engaged and happy with their jobs.

4. Frequent, ongoing recognition engages and motivates employees.

   The more frequently they are recognized, the more engaged and satisfied employees become.

5. Recognition is good for engagement—and values-based recognition is even better.

   The benefits of recognition increase significantly when recognition occurs in structured recognition programs that are tied to organizational core values.

6. eThanks have significantly less impact than recognition that includes a tangible reward.

   Employees see eThanks as less fulfilling and meaningful than receiving a thank you that includes some sort of gift or reward.
Over the past two years, employees are growing more satisfied in their jobs as their satisfaction with recognition grows. Recognition is not only growing more popular—it is more effective than ever. When we compared the results of this Fall 2012 Workforce Mood Tracker survey with our two previous surveys, we found some great news. Workers are becoming more satisfied with their work. They are more likely to agree that they love their jobs, feel appreciated and feel fairly rewarded. And they attribute that satisfaction to recognition.

Companies must be doing something right, because not only is satisfaction steadily growing, but workers’ satisfaction with their levels of recognition is also growing, with satisfaction levels rising 22 percent in the past 12 months (from 49 percent to 60 percent).

The relationship between these two factors is not lost on employees. Respondents are 9 percent more likely to make the connection between their work satisfaction and their recognition than they were a year ago. And the number of employees who say recognition makes them more satisfied with their work is a whopping 82 percent.

### FIGURE 1

**EMPLOYEE SATISFACTION IS ON THE RISE**

Q. Do you feel appreciated at your job? Do you love your job? At your company, are people rewarded according to their job performance?
Figure 2

**EMPLOYEES ARE MORE SATISFIED WITH THEIR RECOGNITION**

60% of employees report that they are satisfied with their level of recognition vs. 49% in Fall 2011.

Q. Are you satisfied with the level of recognition you receive for doing a good job at work?

Figure 3

**EMPLOYEES ATTRIBUTE SATISFACTION TO RECOGNITION**

82% of employees report that receiving recognition makes them more satisfied vs. 73% in Fall 2011.

Q. Did receiving recognition make you more satisfied with your work and/or position in the company?
Employees are jumping ship because of a lack of recognition.

When we asked survey respondents if they planned to look for a job in the next year, 42 percent of them raised their hands. Usually, HR professionals only get feedback from these employees at exit interviews—the HR equivalent of playing Monday morning quarterback. We decided to take the opportunity to examine folks who are currently looking for a new job to provide a “pre-exit interview.” Why are these people leaving their jobs? What isn’t working for them that makes the exit doors the best option? What are their key concerns? Is there a way to make them happier?

The results were definitive. While compensation plays a predictable part, we found that employees with one foot out the door clearly feel recognition in their company is not frequent enough or fair enough. Less than half of respondents report feeling appreciated. Only 37 percent feel people in their company were fairly rewarded according to their job performance.

When we asked departing employees for the reasons they were job-hunting, the top three answers were: compensation (62.7 percent), lack of recognition/appreciation (48.3 percent) and lack of opportunity for advancement (47.7 percent). While compensation always tops this list, recognition's #2 ranking speaks loudly to its importance to employees. It easily tops many common complaints, such as relationship with manager (27.8 percent), dissatisfaction with culture (25 percent), insufficient job title (12.2 percent), and relationship with co-workers (11.1 percent).

Interestingly, these departing employees are also quite sensitive to company culture; they seek a company that has a positive one. 83 percent rate culture as important in looking for a new job. But predictably, these departing employees think their own company culture is lacking. Whereas 65 percent of all surveyed employees rate their company culture as positive, only 45 percent of departing employees feel their company had a positive culture.

The good news is it isn’t too late to save these ship-jumpers. 82 percent of employees agree that receiving recognition make them more satisfied with their jobs.
42% OF EMPLOYEES PLAN TO LOOK FOR WORK

42% ARE JOB SEEKERS

Q. Are You Planning to Look for A Job in the Next Twelve Months?

JOB SEEKERS ARE DISSATISFIED WITH RECOGNITION

61% NO 39% YES

Q. Are you satisfied with the level of recognition you receive for doing a good job at work?

JOB SEEKERS DON'T FEEL APPRECIATED

56% NO 44% YES

Q. Do you feel appreciated at your job?

JOB SEEKERS FEEL PEOPLE ARE NOT REWARDED BY JOB PERFORMANCE

63% NO 37% YES

Q. At your company, are people rewarded according to their job performance?

JOB SEEKERS DON'T THINK THEIR COMPANY CULTURE IS POSITIVE

55% NO 45% YES

Q. Do you feel your organization has a positive company culture?
FIGURE 9

**JOB SEEKERS' TOP REASONS FOR LEAVING**

- Compensation: 62.8%
- Lack of Recognition: 48.3%
- Lack of Opportunity: 47.7%
- Inability to be Effective: 33.9%
- Relationship w/ Manager: 27.8%
- Dissatisfaction with Culture: 25.0%
- Insufficient Job Title: 12.2%
- Relationship w/ Peers: 11.1%
- Other: 10.0%

Q. Why are you considering leaving your current job?

FIGURE 10

**82% OF EMPLOYEES SAY RECOGNITION INCREASES JOB SATISFACTION**

- 82% YES
- 18% YES

Q. Did receiving recognition make you more satisfied with your work and/or position in the company?
3 / Strategic recognition reinforces core values and organizational objectives.

The relationship between recognition and values is a mutually beneficial one, according to the Globoforce Fall 2012 Workforce Mood Tracker findings. When we asked employees if they were able to name their corporate values, those employees with recognition programs tied to values are 26 percent more likely to remember all or some of their company values.

We found that employees with values-based recognition are not only far more in touch with their organization’s core values, they also feel more empowered to achieve them, by nearly 10 percent. Moreover, when we asked workers whether recognition gave them a stronger sense of company goals and objectives, 79 percent agree it did. Recognition and core values and objectives are natural partners.

Why does keeping workers close to their core values matter? Of surveyed workers who claimed to know all of their core values, 88 percent say they are engaged vs. 54 percent of respondents who say they didn’t know any of their company values. Likewise, 65 percent of workers who could name their values say they had a strong grasp on company objectives, versus only 23 percent of respondents who say they didn’t know any of their company values.

**FIGURE 11**

**I REMEMBER ALL OF MY COMPANY/CORE VALUES**

At companies with values-based recognition, 48% of employees can remember all of their company/core values.

| At Companies with Values-based Recognition | 48% |
| At Companies with Any Recognition | 38% |
| At Companies with No Recognition | 24% |

**Q. Without looking, how many of your company/core value can you remember? (All of them, Some of them, None of them, N/A)**

**FIGURE 12**

**I HAVE A STRONG GRASP ON MY ORGANIZATION’S GOALS AND OBJECTIVES**

At companies with values-based recognition, 91% said that they felt they have a strong grasp on goals and objectives.

| At Companies with Values-based Recognition | 91% |
| At Companies with Any Recognition | 86% |
| At Companies with No Recognition | 76% |

**Q. Do you feel you have a strong grasp of your organization’s goals and objectives?**
FIGURE 13
I FEEL ENABLED TO ACHIEVE MY COMPANY’S OBJECTIVES

95% of employees with values-based recognition programs feel enabled to achieve company objectives.

Q. In general, do you feel you are able to help achieve the company’s organizational goals and objectives?

FIGURE 14
RECOGNITION GAVE ME A STRONGER SENSE OF COMPANY GOALS AND OBJECTIVES.

When we asked if feedback gave employees a stronger sense of those goals and objectives, 79% of employees with values-based recognition say it does.

Q. When you receive feedback through recognition for your contributions, does it give you a stronger sense of your company’s goals and objectives?

FIGURE 15
THE BENEFIT OF UNDERSTANDING CORE VALUES

<table>
<thead>
<tr>
<th>Statement</th>
<th>Can Name All Core Values</th>
<th>Cannot Name All Core Values</th>
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</thead>
<tbody>
<tr>
<td>I Have a Strong Grasp of Organizational Objectives</td>
<td>96%</td>
<td>65%</td>
</tr>
<tr>
<td>I Feel Able to Help Achieve Company Objectives</td>
<td>95%</td>
<td>46%</td>
</tr>
<tr>
<td>I See my Company Culture as Positive</td>
<td>83%</td>
<td>30%</td>
</tr>
<tr>
<td>I Identify Myself as Highly Engaged</td>
<td>65%</td>
<td>23%</td>
</tr>
</tbody>
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Q. Do you feel you have a strong grasp of your organization’s goals and objectives? In general, do you feel you are able to help achieve the company’s organizational goals and objectives? Do you feel your organization has a positive company culture? Which statement below best describes you? (I am highly engaged, I am mostly engaged, I am neutral, I am mostly disengaged, I am highly disengaged.)
Strategic recognition reinforces core values and organizational objectives.

Employees who are recognized at least once in a six-month period are more motivated, more engaged and more likely to view their jobs and their company culture in a positive way, according to survey results. Recently recognized employees are also less likely to be looking for new work.

We asked workers to share with us the last time they were recognized, and we compared that information to their attitudes toward their jobs and their companies. We found a strong trendline to indicate that recognition has a significant impact when it occurs most recently, and therefore frequency of recognition is a key factor in effectiveness. Of those who were recognized within six months, for example, 78 percent report that they loved their jobs, whereas only 49 percent of those workers who had not been recognized in six months share that sentiment. This trend occurred across the board in our findings. Frequently recognized employees are 26 percent more likely to see their culture as positive (48 percent vs. 38 percent), and 70 percent more likely to be highly engaged (56 percent vs. 33 percent).

Likewise, we found that when managers provide ongoing feedback to employees, rather than at pre-appointed meetings of annual/periodic reviews, employees feel more enabled to meet objectives, less frustrated and more engaged.

**FIGURE 16**

**I LOVE MY JOB**

When we asked employees if they loved their jobs, 78% of those recognized in the last 6 months say yes.

![Graph showing % who love their job](image)

**FIGURE 17**

**I SEE MY ORGANIZATION’S CULTURE AS POSITIVE**

48% of employees recognized in the past 6 months see their company culture as positive.

![Graph showing % who see culture as positive](image)
FIGURE 18
I AM HIGHLY ENGAGED
When we asked employees how engaged they were, 56% of those recognized within 6 months say they are “highly engaged.”

Q. Which statement below best describes you? (I am highly engaged, I am mostly engaged, I am neutral, I am mostly disengaged, I am highly disengaged.)

FIGURE 19
I AM CURRENTLY SEARCHING FOR A NEW JOB
Only 18% of employees recognized within 6 months are currently job searching, vs 33% of those not recognized.

Q. Are you currently searching for a new job?

FIGURE 20
THE BENEFIT OF ONGOING FEEDBACK
92% of employees who receive ongoing feedback feel able to help achieve company objectives. 82% are satisfied with recognition and 57% identify themselves as highly engaged.

92%
Receive Ongoing Feedback

80%
Receive Scheduled Feedback

At Companies with Values-based Recognition

82%
At Companies with Any Recognition

61%
At Companies with No Recognition

57%

36%

Q. In general, do you feel you are able to help achieve the company’s organizational goals and objectives? Are you satisfied with the level of recognition you receive for doing a good job at work? Which statement below best describes you? (I am highly engaged, I am mostly engaged, I am neutral, I am mostly disengaged, I am highly disengaged.)
5 / Recognition is good for engagement—and values-based recognition is even better.

Recognized workers are more engaged, more satisfied and love their jobs more. This should come as no surprise.

However, we all know that some recognition is better than others. It doesn’t seem quite right to keep lumping an employee-of-the-month parking spot or annual pizza party together with a formal, strategic reward and recognition initiative. So in this latest survey, we decided to dive deeper and try to get at not only whether recognition is working, but what types of recognition are most effective.

There are several variables that make recognition strategic, but none is more central than linking recognition back to core organizational values and objectives. That is where we decided to look—exploring the question: Is recognition more effective when it is tied to values?

The answer is a resounding yes. Results show that employees with values-based recognition are far and away more satisfied with their levels of recognition and feel considerably more appreciated at their jobs. 87 percent of employees with formal, values-based recognition programs report feeling appreciated, versus 78 percent of those without values-based recognition and 57 percent of those with no recognition at all.

Furthermore, workers with values-based recognition programs are far less frustrated with getting things accomplished at work, and describe themselves as more engaged than those whose recognition not tied to values.
FIGURE 21
I FEEL APPRECIATED AT MY JOB
At companies with values-based recognition, 87% of employees feel appreciated.

FIGURE 22
I FEEL SATISFIED WITH MY LEVEL OF RECOGNITION
81% of employees at companies with values-based recognition are satisfied with their recognition.

Q. Do you feel appreciated at your job?

At Companies with Values-based Recognition | 87%
---|---
At Companies with Any Recognition | 78%
At Companies with No Recognition | 57%

Q. Are you satisfied with the level of recognition you receive for doing a good job at work?

At Companies with Values-based Recognition | 81%
---|---
At Companies with Any Recognition | 71%
At Companies with No Recognition | 50%

FIGURE 23
MY FRUSTRATION LEVEL
When reporting frustration levels with getting things done, employees at companies with values-based recognition report feeling far lower levels of frustration—24% have none at all.

FIGURE 24
I AM MOSTLY ENGAGED OR HIGHLY ENGAGED
87% of employees at companies with values-based recognition identify themselves as engaged or highly-engaged.

Q. On a scale of 1-5, how would you rate your current frustration level with getting things accomplished at your organization?

At Companies with Values-based Recognition | 1-No Frustration 87%
---|---
At Companies with Any Recognition | 18%
At Companies with No Recognition | 11%

Q. Which statement below best describes you? (I am highly engaged, I am mostly engaged, I am neutral, I am mostly disengaged, I am highly disengaged.)

At Companies with Values-based Recognition | 87%
---|---
At Companies with Any Recognition | 83%
At Companies with No Recognition | 72%
6 / eThanks without a reward have significantly less impact overall, and gift certificates are the preferred reward choice

Curious how people view eThanks, and just how memorable they are? We were. We included a question in the survey to gauge attitudes toward eThankyou cards.

When we asked people what they thought of eThanks that don’t include a tangible reward, they told us they see them less fulfilling or more disappointing than receiving a thank you that included some sort of gift or reward. About three quarters (73 percent) say they are either not as fulfilling as a thank you with a tangible reward or outright disappointing.

FIGURE 25
eTHANKS ARE UNDERWELMING

Q. Which of the following statements do you agree most with? (eThankyou cards alone (with no economic value) are exciting and rewarding to receive, eThankyou cards aren’t as fulfilling as recognition with an associated gift or reward, eThankyou cards alone are disappointing or a let-down to receive)
CONCLUSION

The objective of our Fall 2012 Globoforce Workforce Mood Tracker Survey was to be a little more granular in looking for some of the underlying nuances in effective recognition. In doing so, we focused on the connection between values and recognition and the most effective delivery vehicles for that recognition—whether in form or frequency.

This survey asked workers to examine patterns of recognition, and their attitudes toward and responses to that recognition (or lack thereof). From the 742 respondents, we uncovered the following six findings:

1. Employees are both better recognized and more satisfied with their recognition, than 12 months ago.

2. Many employees who have been staying put at their current companies plan to look for work in the next twelve months, and a significant motivation for their decision is a lack of effective recognition.

3. There is a strong, reciprocal relationship between core organizational values, employee recognition and employee engagement.

4. When recognition is linked to values, it is significantly more effective than non-strategic recognition. (Though any recognition is better than none.)

5. When recognition is more frequent and consistent, employees are more satisfied.

6. eThankyous are less fulfilling than recognition with an associated reward.

Next Steps

Learn more about social recognition and how it can drive business results for you by visiting us at www.globoforce.com, emailing info@globoforce.com or calling 1-888-743-6723.
ABOUT THE SURVEY

The Globoforce Mood Tracker Survey was conducted by Globoforce from September 27-October 2, 2012. This is the fourth 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 742 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.

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<td>27%</td>
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<tr>
<td>56+</td>
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ABOUT GLOBOFORCE

Globoforce is the world’s leading provider of social recognition solutions, redefining how companies understand, manage, and motivate their employees. Innovative companies around the world use Globoforce’s cloud-based social recognition software to reveal the true performance and influence of every employee and strengthen company culture. With Globoforce, HR and business leaders can take a strategic approach to recognition programs that result in measurable benefits to the bottom line driven by increases in employee engagement, retention, and productivity. Globoforce is co-headquartered in Southborough, Massachusetts, and Dublin, Ireland.