ABOUT THE SURVEY

The Spring 2014 Workforce Mood Tracker™ survey was conducted by Globoforce® from January 7 to 11, 2014. This is the sixth 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 706 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 a 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.
The speed of change in Human Resources is increasing. More and more companies are using new technology innovations to meet the needs of a shifting multi-generational and global workforce.

Human resources has been an early and avid adopter of cloud-based technology, and thus has gained access to a host of new technology innovations and advances in human capital management. This pace of rapid change and the benefits of technology have resulted in a pair of interesting effects: they have challenged some of our more entrenched thinking about what HR programs are and what they should accomplish. And they have reshaped our thinking about what is authentic for employees and what really drives their engagement and satisfaction.

Recognition has been one such opportunity. Some managers still believe employees should be happy with a paycheck, but companies with social recognition are making a tremendous, measurable impact on engagement, retention and enablement. That technology has opened up a host of new insights and business results for companies.

As this report will show, employees spot empty gestures easily, and respond with disinterest and apathy. But when gestures take into account their perspectives and needs, they thrive.

Each year, we talk to fully-employed workers in the United States in order to gain insight into their attitudes and perspectives on their work life. In this Spring 2014 Workforce Mood Tracker report, we focused particular attention on these two areas: opportunity and authenticity—and we have attempted to highlight areas of HCM—and in particular recognition—where we believe companies can improve the employee experience and re-engage their commitment and happiness.
These are our findings, compiled from 706 survey respondents:

SUMMARY OF FINDINGS

1. Recognition makes employees happier—at work and at home. Employees report that recognition has a direct impact on their happiness at work and in general. That impact is magnified with frequent recognition tied to company values.

2. Traditional years of service programs are not delivering results for today’s changing workplace. Employers deploy milestone programs to increase engagement and loyalty, but those programs are failing to meet the needs of the modern workforce.

3. Strong disillusionment typically follows an employee’s first work anniversary—but can be alleviated by engaging employees through recognition. Many employees experience a honeymoon period for their first year of employment, followed by a significant drop in engagement, happiness and job satisfaction. When employees experience values-based recognition, they are less disillusioned overall.

4. People find gamification to be inappropriate for use in recognition. Employees do not believe that gamification (badges and leaderboards, etc.) is a positive addition to recognition. They say it is not motivating when recognizing others, and it does not motivate them to work harder.

5. Only 4% of employees find eThanks (award without gift or monetary value) to be a memorable form of recognition. Employees indicate that a thank you that comes with an associated gift or reward is the most powerful and lasting form of recognition, but eThanks without a gift are unsatisfying in this regard.
Recognition makes employees happier—at work and at home.

An increasing body of new research has focused on employee happiness in the workplace. Happy employees, researchers have found, tend to be more engaged with and efficient at their jobs, and they tend to stay twice as long in those jobs as their unhappy peers. Moreover, happiness at work and at home are likely related, and have a positive, reciprocal impact on one another. Given the growing importance of happiness metrics, we wanted to see what the direct effect of recognition is on employee happiness.

We found that happiness was significantly increased with recent, values-based recognition. (Figure 2) The good news is that most employees identify themselves as some level of happy or mostly happy at work (87 percent)—although they are somewhat less happy at work than they are in general (95 percent). (Figure 1)

A full 47 percent of those employees are able to unequivocally say that they are happy, but only 35 percent could agree that they are entirely happy at work. (Figure 1)
However, when recognition is introduced into the paradigm, the numbers of happy people at work jump up significantly. Of those with values-based recognition who had been recognized within the past six months, 51 percent report they are happy at work. And recently recognized people are even more likely to report that they are happy in all aspects of their lives (60 percent). (Figure 2)

**FIGURE 2**

RECENTLY RECOGNIZED EMPLOYEES ARE HAPPIER

- Yes, I consider myself a happy person at work
  - w/values-based recognition program - recognized in last 6 months: 51%
  - All respondents: 35%

- Yes, I consider myself a happy person
  - w/values-based recognition program - recognized in last 6 months: 60%
  - All respondents: 47%

Q: Do you consider yourself a happy person?
Q: Do you consider yourself a happy person at work?
Clear numbers show the positive impact that recognition is having on employee happiness. If you’d like to read more about using recognition to build employee happiness and culture management, we recommend our recent white paper: *The Science of Happiness: How to Build a Killer Culture in Your Company.*

How much do employees themselves credit recognition for their happiness at work? A majority, 73 percent of respondents, credit recognition for having a positive impact on their happiness at work. And, interestingly, more than a third credit recognition for also increasing their happiness at home. (Figure 3)

**FIGURE 3**

RECOGNITION POSITIVELY IMPACTS HAPPINESS AT WORK AND AT HOME

Q: Has being recognized created a positive change in:

[ ] My happiness at work

[ ] My happiness at home

(check all that apply)
2 / Traditional years of service programs don’t deliver results for today’s changing workplace.

Service awards for milestone anniversaries are a longstanding feature in many companies’ recognition programs. In fact, we found that 81 percent of employees receive such awards, gifts or communications on the occasion of a milestone anniversary such as two, five, ten or twenty years of employment with a company. (Figure 4)

But our survey also found that these awards, which typically rely solely on a manager presentation, don’t make an impact on a majority of employees. In fact, 51 percent of workers say that the award has no impact at all on their feelings about their job or company. (Figure 5)

Why is this? One reason might be the short memories of today’s organizations. The service award process is traditionally highly manager-centric, yet our survey showed that 1/3 of employees have had more than five managers at their current job. 16 percent have had more than ten managers. (Figure 6) Since a newer manager may not recollect large portions of an employee’s career, it makes sense that such a retrospective could fall short of expectations.

FIGURE 4
MOST COMPANIES CELEBRATE MILESTONE ANNIVERSARIES

Q: Does your company celebrate milestone anniversaries?
FIGURE 5
INDIFFERENCE IS THE #1 EMOTION ASSOCIATED WITH MILESTONE AWARDS

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It changed nothing at all</td>
<td>51%</td>
</tr>
<tr>
<td>It made me feel more valued</td>
<td>39%</td>
</tr>
<tr>
<td>It made me want to stay with the company longer</td>
<td>23%</td>
</tr>
<tr>
<td>It made me feel better about company leadership</td>
<td>15%</td>
</tr>
<tr>
<td>It made me more engaged</td>
<td>15%</td>
</tr>
<tr>
<td>It strengthened my relationships with my co-workers</td>
<td>14%</td>
</tr>
</tbody>
</table>

Q: How did that anniversary celebration make you feel?

FIGURE 6
MOST EMPLOYEES HAVE HAD MORE THAN THREE MANAGERS IN THEIR CURRENT COMPANY

<table>
<thead>
<tr>
<th>Number of Managers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21%</td>
</tr>
<tr>
<td>2</td>
<td>17%</td>
</tr>
<tr>
<td>3-5</td>
<td>34%</td>
</tr>
<tr>
<td>6-9</td>
<td>13%</td>
</tr>
<tr>
<td>10 or more</td>
<td>16%</td>
</tr>
</tbody>
</table>

Q: How many managers have you had in your current company?
Most traditional years of service awards also rely heavily on manager communication—with managers distributing awards or in some cases composing a congratulatory message for the employee. Yet when we asked, only 27 percent of workers with milestone programs express that communication from a single manager is their preference. (Figure 7a) While a minority are content with the status quo, the majority of workers prefer to have the input of senior leaders and/or peers added into the mix. This broke out somewhat along generational lines. (Figure 7b)
There are two very interesting sidebars to this data. The first is that the group that was most likely to value milestones from managers and senior leaders (39 percent) are Baby Boomers—who are most likely themselves to be managers and senior leaders. They are also most likely to be the leaders with responsibility for designing years of service programs. The second is a small but interesting data point: 10 percent of Millennials prefer their service celebrations come from their peers alone.

So how can we make milestone programs more meaningful to today’s workers? We looked into the type of program that would impact employees and yield business results. For example, we asked employees if the addition of career details would make the award more meaningful. A full 68 percent of them agreed that this addition would indeed make milestones more meaningful. (Figure 8)

All in all, we believe this surprising apathy toward service milestones should give employers pause. It is a moment for reflection and certainly an opportunity to improve or reimagine a legacy program which may well be languishing from inattention or stagnating. If companies are able to make awards resonate emotionally for employees—to care about them when they are awarded, and miss them when they are not—then they can begin to make these legacy programs work for them. Indeed, there is clearly an opportunity here for employers to put forth a robust and emotionally impactful years of service effort that could serve as a significant differentiator in a quagmire of indifference.

**Q: Would a service award that included details of your career feel more meaningful?**

![Figure 8: More employees believe they would find a service award more meaningful if it included career details.](image)
3 / Strong disillusionment typically accompanies a 1-year anniversary—but can be alleviated by engaging employees through recognition.

A compelling piece of new data that emerged from the 2014 Spring Workforce Mood Tracker explored the “honeymoon period” new employees experience—or more precisely, how employees become disengaged around the one year mark.

When we asked new hires about their engagement, love for their job, and feelings of being appreciated and acknowledged—they tended to have considerably higher results than the standard average for all other employees. The same cannot be said for employees who have been in their jobs 1-2 years. (Figure 9)
This paints a rather bleak picture for companies who are looking carefully at retention rates. Luckily our survey uncovered the key to avoiding that crash and burn. When companies are using values-based recognition, and employees have been recognized within the last 6 months, their numbers begin higher and remain stable. (Figure 10a-d)

You might be wondering if this disillusionment is some sort of “second year effect” that would correct itself eventually, but it does not. As you can see by the last bars in the charts above, the averages for employees after year two do not significantly rise on their own. In fact, the numbers even drop off further around the 5-9 year marks—and they do not recover naturally until the worker has put in 20+ years with the company.

When recognition is put into place, feelings of being appreciated, loving a job and being engaged start high and remain high. In all cases, the second year results are higher than the honeymoon period for employees who don’t have recognition.
FIGURE 10A

DO YOU LOVE YOUR JOB? · YES

FIGURE 10B

DO YOU FEEL APPRECIATED AT YOUR JOB? · YES

FIGURE 10C

DO YOU FEEL YOUR MANAGER APPRECIATES AND ACKNOWLEDGES YOU AT WORK? · YES

FIGURE 10D

ARE YOU HIGHLY ENGAGED AT WORK? · YES

Less than a year with company

1-2 years with company

Everyone else
People find gamification to be inappropriate for recognition.

Gamification is a hot topic these days. Studies show that adding badges, leaderboards and other bells and whistles to programs is a great way to get people to do things they wouldn’t naturally want to do, because elements of gaming can be fun and engaging. And for many repeatable, goal-oriented tasks, gamification can be a fun way to mobilize employees to act.

However, companies tend to steer clear of using gamification in recognition and with good cause. That’s because it introduces an artificial set of goals into the program. Firstly, it shifts the focus from the recipient of recognition to the nominator. Employees may think to themselves “I have a points balance, I need to spend them before I lose them.” Secondly, the data itself becomes about competition rather than a reflection of employee values-based behavior.

But that said, we wondered if employees would miss the badges and leaderboards and if they thought there was a place for them in a recognition program.

Overwhelmingly, employees told us that recognition, for them, was not about what they could get, but about what they could give. Badges, titles and points on leaderboards barely signified in their reasons for recognizing their peers. (Figure 11)

**FIGURE 11**

*WHY WE RECOGNIZE: GAMIFICATION IS NOT A COMPELLING MOTIVATOR*

- Making a colleague feel good or appreciated: 75%
- Thanking a colleague for going above and beyond: 74%
- Reinforcing behavior that benefits the company: 54%
- Gaining a badge or title for giving recognition to others: 4%
- Competing against my colleagues in who gives the most recognition: 2%
- Using my pre-allocated points to rise higher on a leaderboard: 2%

Q: What are the most motivating reasons for giving recognition to others?
We also asked them if they thought recognition would be a positive addition to their recognition programs. A full 70 percent of them say it would not, and indicate gamification would reward the wrong type of behavior. (Figure 12)

Next we asked if gamification would make them work harder, specifically if they were ranked according to the recognition they gave or received. Even fewer of them indicate that this sort of ranking would motivate them in their work. This is particularly interesting when you consider that recognition itself, according to 86 percent of them, would motivate them to work harder. That means recognition significantly moves the needle where gamification does not. (Figure 13-14)

Finally, we asked if knowing that a nominator received some sort of credit or points for giving recognition would make that recognition mean less. Sixty-two percent of them say it would. Interestingly, that number was highest for Millennials, who, surprisingly, are most likely to feel that leaderboards cheapen the recognition experience. This may be due to the increased familiarity of Millennials with gamification. (Figure 15a & b)
It is worth pointing out here that what most people call “gamification” is actually what experts call “pointsification” or “badgification”—the addition of things like leaderboards, badges and a competitive or acquisitive element into software. That is what we were surveying here. True gamification is simply the addition of engaging elements from the world of gaming, and it might refer to many social or interactive elements that are actually quite beneficial in the support of recognition and which are incorporated into the Globoforce solution.

**FIGURE 15A**
GAMIFIED RECOGNITION MEANS LESS TO EMPLOYEES

Q: Would getting recognized mean less to you if you knew someone got points on a leaderboard, or a badge for giving that recognition?

**FIGURE 15B**
WOULD GETTING RECOGNIZED MEAN LESS TO YOU IF YOU KNEW SOMEONE GOT POINTS ON A LEADERBOARD OR A BADGE FOR GIVING THAT RECOGNITION?
Only 4% of employees find eThankyou Awards (that convey no gift or monetary value) to be a memorable form of recognition.

In our 2012 Workforce Mood Tracker, we asked employees how they viewed eThanks that don’t include a tangible reward. They told us they see those types of eCards as less fulfilling and more disappointing than receiving a thank you that included some sort of gift or reward to reinforce the recognition. In fact, only 26% percent found them at all valuable, the others said they are either not as fulfilling as a thank you with a tangible reward or they are outright disappointing. (Figure 16)

This year, we asked employees which form of recognition they find to be most memorable, and the results were even more telling. Workers say that by far the most memorable recognition is that which includes a reward or thank you gift. Our own best practices show that a reward or gift extends the recognition moment as you purchase and then continually experience and re-experience that gift. A simple in-person message of thanks is the second most memorable option, but an email or electronic thank you card is a distant last place contender with only 4 percent of workers finding it memorable. (Figure 17)

**FIGURE 16**
**FALL 2012 MOODTRACKER: eTHANKS ARE UNDERWHELMING**

- 26%: eThankyou cards aren’t as fulfilling as recognition with an associated gift or reward
- 23%: eThankyou cards alone (with no economic value) are exciting and rewarding to receive
- 51%: eThankyou cards alone are disappointing or a let-down to receive

**FIGURE 17**
**eTHANKS ARE NOT MEMORABLE**

- 38%: A thank you that includes a gift or reward
- 59%: A verbal thank you
- 4%: An eThanks card (a electronic card with no associated reward)

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)

Q: What type of recognition do you find most memorable?
CONCLUSION

As we strive to create a stronger culture, with a committed and empowered workforce, true success comes only when we seek opportunity and innovation, and question long-held assumptions that may be holding us back.

In our Spring 2014 Globoforce Workforce Mood Tracker, we examined opportunities to leverage new technology to connect with and engage workers. HR is being called upon to rapidly adapt in the face of new workforce realities. Increasingly, employers are employing new innovations in technology and evolving outmoded ideas in order to align with the modern workforce and design a more authentic, effective, and future-proofed strategy for employee engagement and return on employee investment.

From 706 respondents we uncovered the following five findings:

1. Recognition makes employees happier—at work and at home.
2. Traditional years of service programs are not delivering results for today’s changing workplace.
3. Strong disillusionment typically accompanies a 1-year anniversary—but can be alleviated by engaging employees through recognition.
4. People find gamification to be inauthentic for use in recognition.
5. Only 4% of employees find eThankyou Awards (that convey no gift or monetary value) to be a memorable form of recognition.
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