

THE SURPRISING EFFECTS OF EMPLOYEE RECOGNITION AND APPRECIATION

The incredible impact recognition has on workplace satisfaction



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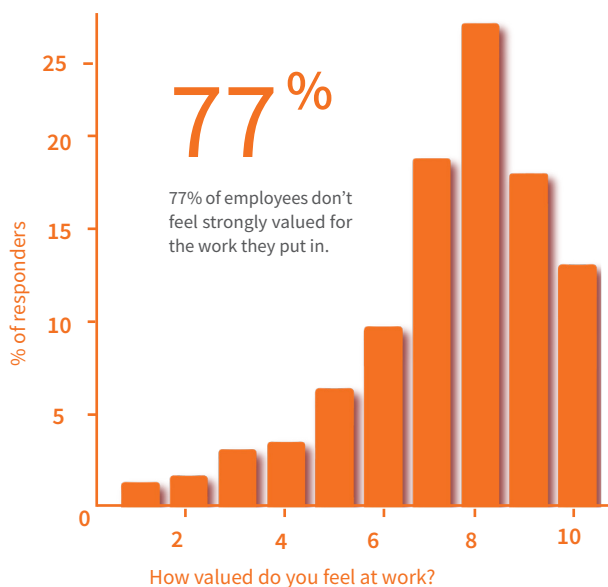
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2018 REPORT

Introduction

Employees work hours on end to contribute to their organizations' success — some even compromise sleep, time with their family or friends, and personal activities to complete their work. But is that effort going unnoticed?

Unfortunately, it is. According to our research, a massive 77% of employees don't feel strongly valued for the work they put in.



You would think that making an employee feel valued at the workplace is a no-brainer. Frankly, who doesn't want to feel appreciated for their efforts? Especially considering the huge impact that recognition has on an employee's intrinsic happiness.



We found a positive correlation ($r = 0.4, p < 0.05$) between how well-recognized employees feel and how enthusiastically they would reapply for their job. Employees that are well recognized are much more likely to reapply for their job.

This effect is most powerful in employees who feel very well recognized (greater than 5 out of 10). These employees rate their enthusiasm for reapplying for their job 32% higher than their less well-recognized co-workers.

Since employee recognition plays such a vital role in impacting employee happiness, we had to find out what other factors it affects too. Luckily, TINYpulse's data bank holds a wealth of knowledge. **Over 13,000 employees were surveyed around the world** to find out how important employee recognition truly is.

Here are the trends we uncovered:

- RETENTION IS TIED TO RECOGNITION:** Employees want to work for an organization that not only values their work but also shows them appreciation. We found a strong relationship between recognition and likelihood to stick around at the job.
- PRAISE SWAYS THE PERCEPTION OF THE WORK ENVIRONMENT:** No one wants to work at a place that ignores its employees. Our research revealed the positive link between recognition and an employee's perception of the workplace.
- APPRECIATION IMPROVES PEER-TO-PEER RELATIONSHIPS:** Employees want to recognize their peers. When someone feels valued, they're more likely to rate their colleague with a higher score.
- EMPLOYEE-SUPERVISOR RELATIONSHIPS RELY ON RECOGNITION:** The same goes for managers. Employees want to work for someone who appreciates their contributions to the organization, and our research validated that point.

When you take into consideration the high cost of turnover and an increasingly improving job market, these findings ought to get you thinking about your own recognition strategies. How can you expect employees to stay at your organization if they're not getting the appreciation they deserve?

But of course, if you're ready to commit to dishing out praise, leveraging peer-to-peer recognition tools, creating collaborative spaces, and assessing cultural fit, then you're laying down the right groundwork to retain your star employees.

The Tie to Retention

Turnover hurts! The effect of even one employee leaving is a hard hit for your bottom line.

And surprisingly, recognition plays a huge role in fighting attrition. [Globoforce found that 55% of workers](#) say they would leave their current jobs for a company that clearly recognizes its employees' efforts and contributions.

This echoes the results of our own research. We found a correlation between how well-recognized employees are and how likely it is that they'll be working at their company in 1 year ($r = 0.36, p < 0.05$).

By leveraging recognition, you can potentially save over half of your workforce without eating into your budget.



If an employee shows enthusiasm to reapply to their current position, it's an indicator that they are currently satisfied with their work and will be there for the long haul. When we asked employees how likely it was that they would reapply for their current job, it was apparent that feeling valued and getting recognized play a critical role:

RESPONSES FROM TINYPULSE USERS:

- “ We work in a space where everyone is well recognized for the work they do and anything they contribute to the office environment. Makes coming to work each day very well worth it.
- “ I often receive recognition when I do inspections, thanking me for the hard work and being willing to travel far away from home. It makes me feel great to get that kind of acknowledgement and appreciation.
- “ My manager always makes it a point to tell the team that we are appreciated and that she knows how hard we work. Just those kind words really make my day.

And if you're not thinking about turnover, think again. Just look at the stats [TalentWise](#) discovered:

- » When employees leave, they **take 70% of their knowledge** with them
- » To replace an employee, it **costs up to 150%** of the annual salary associated with that position
- » It takes **eight months** for a new employee to become **fully productive**

When it costs that much to replace and ramp up one single worker, imagine the nightmare you'll face if they start leaving in droves. This is where recognition comes into play. It does wonders for your retention rate and doesn't even cost you a dime.

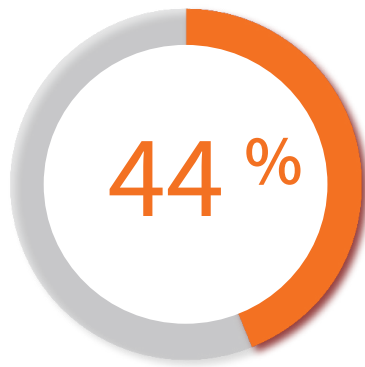
Building a Culture of Recognition

The traditional supervisor-subordinate recognition model is outdated. That's why a peer-to-peer recognition tool is the first step in fostering a culture of appreciation.

Back in our 2014 Employee Engagement Report, we found that peers, in fact, want to recognize their colleagues if you give them a simple tool to use.

People need an easy way to recognize their colleagues for the time and effort they put into their day-to-day activities — big or small.

We found that **44%** of employees give regular peer-to-peer recognition when they have a tool that makes it easy.



Cheers for Peers, a built-in employee recognition feature in TINYpulse, plays a critical role in making employees feel valued, and it includes all the features that allow for best practices in driving a positive culture.

Reuben Barrett, Managing Director of Coalters, explains how “TINYpulse [is] instrumental in building a culture of recognition.”

“Because we all spend so many hours at work, the environment can either make or break our happiness. Barrett understands this very well. “We strive to make Coalters a good place to work, and we believe that recognition, even just a simple ‘thank you,’ is a key part in that.”

We want managers to recognize their teams, and we also want each member of the team to be responsible for recognizing each other. TINYpulse has helped us to do that in a routine and regular way that is easily understood by everyone, which has an ongoing positive effect on team happiness. ”



Reuben Barrett
Managing Director of Coalters



DIGITAL ACCESSIBILITY

In today's digital world, everyone expects their tools to match. Make sure the tool you go with works across all electronic devices — computers, tablets, and smartphones.



24/7 AVAILABILITY

Great deeds can happen any time. Look for a tool that is always available so people can recognize those random acts of kindness on the spot.



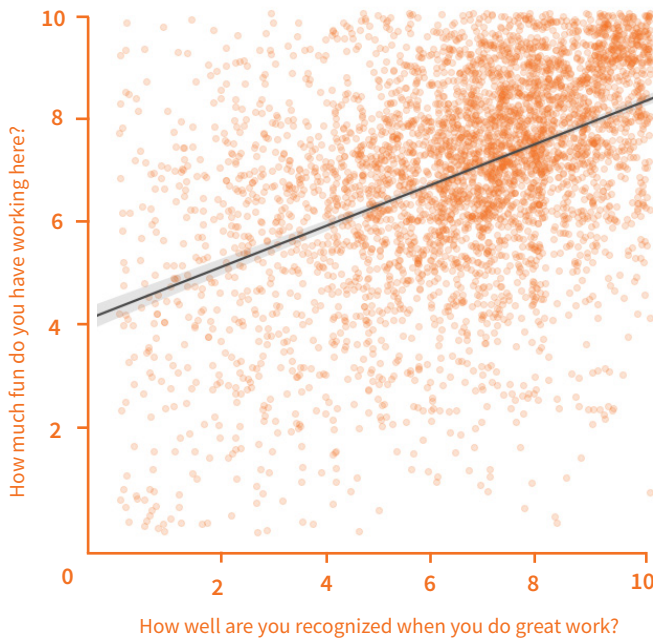
SHAREABILITY

Getting recognized is great, but being able to let others know how hard you've worked is even better. Make sure your tool allows you to easily share recognition across your organization.

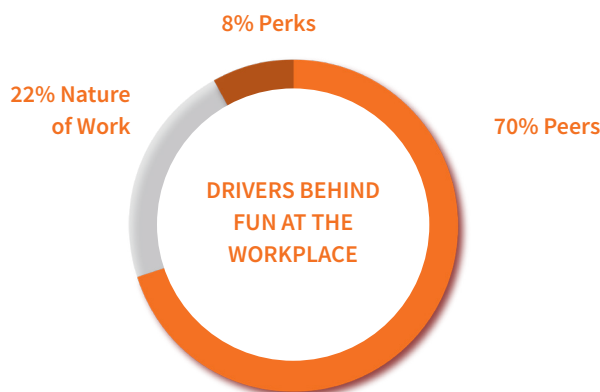
The Team Spirit of the Workplace

People spend a majority of their waking hours at work. But spending all of those hours in a negative environment can be detrimental to an employee's happiness, engagement, and work satisfaction.

There's a surprising link between recognition and people's perception of their work environment. The more recognition they receive, the more fun they believe their workplace to be.



When we dug into what people defined as workplace fun, it turned out that it wasn't all about ping-pong tables and Friday happy hours.



70% of employees credited their peers for creating an engaging environment, while perks such as work functions, parties, or amenities only accounted for 8%. And these employee responses tell it best:

RESPONSES FROM TINYPULSE USERS:

- “ I look forward to coming to work every day. The people are great, and we have lots of celebrations for the good work that we do.
- “ I've never once wished that I didn't have to go into work. Everyone here is awesome, and there is not one day that has gone by where I haven't laughed out loud about something, with someone here.
- “ Great people to work with, people I share my life with, people I trust, that support, and encourage me and my ideas. There is a team here that is for each other and builds all the others up instead of climbing over the backs of others. We laugh with each other and seem to truly enjoy each other. We get silly, eat too much, and treat other as family.

There shouldn't be a clear, distinct line dividing work from fun. In fact, fun is a critical workplace motivator. [Badgeville's survey](#) revealed that 90% of employees find a fun work environment very or extremely motivating.

CREATE COLLABORATION SPACES

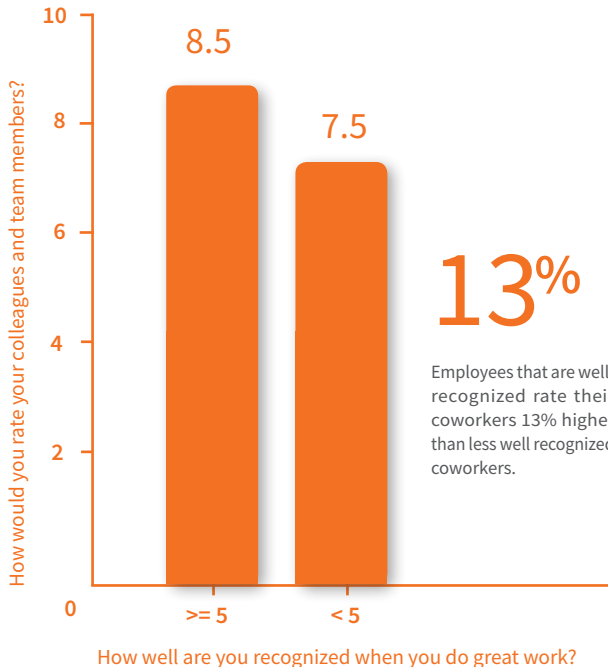
Peers play such a vital role in creating a fun work environment. So give them the space to collaborate and work together. This is especially important with the influx of millennials in the workforce, who live and thrive on collaboration. Here are some ideas for informal and formal spaces where your employees can spontaneously come together to collaborate:

- » **Meeting tables:** Scatter these around the office so people can quickly come together. Put up a whiteboard nearby, and you've got an impromptu meeting room. These tables are perfect for encouraging and promoting spontaneous ideation.
- » **Break rooms:** Idle chitchat around the watercooler isn't a time waster. In fact, it typically revolves around work-related topics, so you never know when a brilliant idea might pop up.
- » **Meeting rooms:** You can't leave out rooms that need to be scheduled. These enclosed spaces are ideal for when you need to discuss sensitive topics or gather a large party.

The Peer Influencer

As we saw above, peers are the biggest influencers in creating an engaging workforce. When everyone shares the same values and beliefs, they form a culture that functions as a tight-knit community — people support, encourage, and motivate each other.

So it's no surprise that the more valued an employee feels, the higher they rate their colleagues.



And it goes without saying that the more recognition an employee receives, the more valued they feel at work:

A FEW RESPONSES FROM TINYPULSE USERS

“ I’ve received emails from my colleagues for the emails I’ve composed to the manner in which I managed project executions. The positive feedback is very rewarding.

“ My peers often say thanks or tell me when they feel I’ve done a great job.

“ I appreciate the cheers from the staff. As part of management I don’t really look for recognition, but my partners and many of my team have kind words and good things to say. Makes everything we do worth it.

So there’s a remarkable cycle that occurs with peer-to-peer recognition. The more recognition an employee receives from their colleagues, the more valued they feel, and the higher they would rate their coworkers because of the initial recognition they received.

HIRING FOR CULTURE FIT

Our [2017 Employee Engagement Report](#) found that peers, not money, are the number one reason why workers go the extra mile. So when it comes to bringing people on board, you’ll need to consider how well they’ll mesh into your culture.

During your interview process, incorporate your organizational values into the questions. Don’t wait until the first day’s orientation to introduce them. Talk about them in your interview.

For example, if one of your values is “Embrace Change,” then consider asking the candidate, “Tell me about a time your company faced a major change, and how did you adjust?”

If a candidate can show you they are already living by your company’s values, then you’ll know they are sure to embrace them as part of your team.

When you hire someone, they need to understand from the get-go what’s expected from them. And if they don’t fit in with your values, then it’s better for both parties to find out as soon as possible rather than after they’ve accepted the job offer.

CASE STUDY: Cheers for Beers

RETURN ON.DIGITAL

As CEO and Founder of Return on Digital, Guy Levine needed a way to create a truly unique

culture. “We really want to create an atmosphere where everyone is working together as a big team, all embracing our core values.”

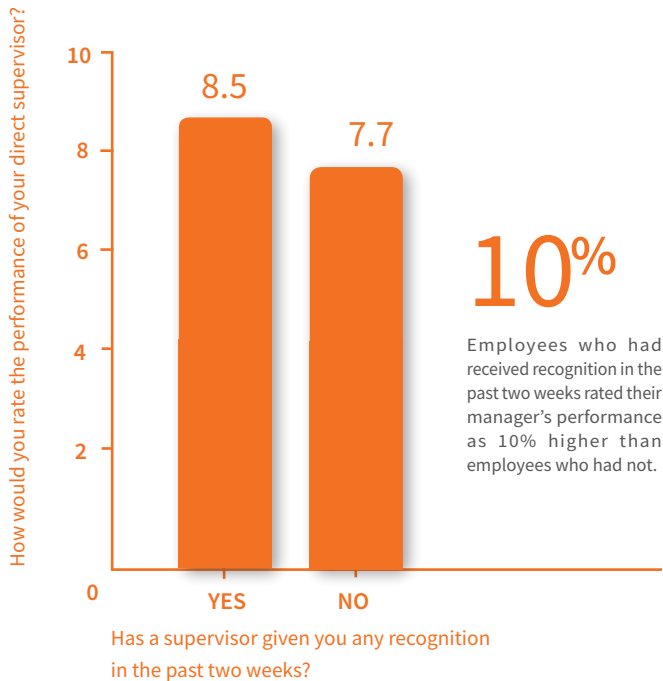
Because Levine wanted to create a fun environment that brings out their competitive nature, they turned to gamification. “The cheers function in TINYpulse really helped us do this, and was central to the birth of Cheers for Beers. Any member of the team who receives a Cheers gets a beer on a Friday night!”

It was an ideal way to ensure that every employee was not only living by the company’s values but also showing each other the appreciation they deserve. Levin states, “It gives us an opportunity to share our wins each week and adds a level of gamification which makes it fun.”

The Boss's Ally

There's a saying that we hear all too often: "people quit their bosses, not their company."

And it's very true! People don't want to work under a boss that doesn't value their contributions. So it's no wonder that there's a relationship between how valued an employee feels and how highly they would rate their direct supervisor.



Here's what a great boss looks like to employees:

RESPONSES FROM TINYPULSE USERS:

“ My supervisor always has my back. She is clear about expectations and listens to my suggestions. She always makes me feel valued. I would not trade her for anyone.

“ My direct supervisor is awesome. He challenges me when he needs to, he guides me, and he always stands behind me when needed. Every day I feel valued because of the way he manages me, and I will remain loyal to him (and this company) because of it.

“ My supervisor always makes herself available to me for questions or help. She never sees any work as beneath her and will step in to handle any task. She is someone that takes her job very seriously, is passionate about the industry, sees the overall picture, and wants what is best for the company.

Bobby Harris, President and CEO of [BlueGrace Logistics](#) shares how TINYpulse's Cheers for Peers has fostered the supervisor-employee relationship. "We have been able to recognize top achievers and establish a better communication flow between managers and their downlines."

Having a digital tool that's easily accessible 24/7 allows managers to give recognition right on the spot. And employees don't have to wait until their performance review to hear how well they've been doing. So the more frequently managers give recognition, the more valued an employee feels, thus fostering a relationship where an employee will view their supervisor more highly.

DECIDING ON WHETHER TO PROMOTE SOMEONE

Top-notch employees don't necessarily make top-notch leaders. Great leadership requires someone who not only knows how to spot quality work but can also take charge of the team without stepping on anyone's toes. So as much as you want to promote your rock star, there are a few factors to consider before jumping the gun.

- » **Plenty of praise:** As an employee, does this person regularly give their peers a pat on the back or praise them for good work? It's already evident that employees want frequent recognition, so you'll want someone who already gives out praise regularly and of their own will.
- » **Clear communicator:** How do they communicate information to their colleagues? Because employees need clear direction and expectations, they'll need someone who isn't afraid to be open about communication in an approachable manner.
- » **Motivational mentor:** Is this person a Debbie Downer, or are they always willing to lend a hand? You'll want to promote someone whom your employees can turn to for support at any given time.

Skills such as project management and metrics can be learned, but characteristics like "inspirational" and "approachable" are more difficult to pick up. So if your current rock star employee doesn't showcase these qualities as a worker, then there's a good chance they won't do so as a leader in your organization.

Conclusion

You might've been under the impression that recognition was just a fluffy idea meant to boost an employee's ego. But that's truly not the case, according to our findings.

It has a tremendous impact on retention, workplace perception, and interpersonal relationships. To foster a culture that encourages recognition and appreciation, here are some solutions that every manager can start leveraging:

1. **USE A PEER-TO PEER RECOGNITION TOOL:** Recognition shouldn't be solely left up to managers. Organizations today are spread across the globe, and technology allows people to work remotely. This means that managers don't get the chance to see day-to-day activities. Peer-to-peer recognition ensures employees are shown appreciation from their colleagues so they feel valued for their hard work.
2. **CREATE COLLABORATION SPACES:** Peers have the biggest influence on creating a fun work environment. So draw employees away from their desks by providing them with designated spaces where they can spontaneously get together for ideation.
3. **ASSESS CULTURE FIT DURING INTERVIEWS:** Create a culture where everyone shares similar beliefs by leveraging your organizational values during the hiring process. Tie your values to the interview questions to measure how well a potential candidate will fit into your culture.
4. **PROMOTE PEOPLE WITH LEADERSHIP QUALITIES:** Before promoting someone from within your organization, you'll need to assess if they hold leadership qualities that are aligned with your culture. Measure how they recognize, communicate, and mentor their peers as an employee to gauge how well they'll do as a manager.

As the saying goes, Rome wasn't built in a day, so it will take time to implement some of these changes, such as incorporating peer-to-peer recognition tools and creating collaborative spaces. However, assessing for culture fit for employees and managers is something you can definitely tackle today.

Don't put employee recognition on the back burner. It does wonders for your employee's happiness and retention rate, driving a massive impact on your bottom line.

About TINYpulse

Companies make an effort to consistently track revenue, financial returns, and productivity. But they're forgetting one of the most important aspects of their organization: their people. And that's where TINYpulse comes in.



OUR MISSION:

Founded in 2012, TINYpulse works hard to make employees happy. Our goal is to give leaders a pulse on how engaged or frustrated their employees are, helping managers spark dialogue that results in organizational change.

WHAT WE DO:

We believe that information empowers leaders to create an engaging work environment and culture where people can thrive.

Here is how we do that:



PULSING SURVEYS: Our weekly pulse survey measures employee engagement using just one question. TINYpulse is a lightweight solution that captures anonymous feedback from your team to reveal insights, trends, and opportunities so you can improve retention, culture, and results.



PEER-TO-PEER RECOGNITION: TINYpulse's Cheers for Peers™ peer-to-peer recognition tool captures the appreciation, extra effort, and little things that are often overlooked by leaders. Peers can easily send a quick shout-out to their colleagues to brighten up their day — because a little recognition goes a long way.



VIRTUAL SUGGESTIONS: Our virtual suggestion box lets employees have direct input on how to improve the workplace. The anonymous format makes employees feel comfortable being honest and offering actionable ideas to improve their workplace.

WHO USES US?

Every organization wants happy employees. Our customers range across all industries and all parts of the world, from start-ups to enterprises. Organizations such as Hubspot, Stitch Fix, the Boston Red Sox, Leo Burnett Worldwide, Brooks Shoes Apparel, and many more are using TINYpulse to delight their employees and increase engagement.

WANT TO FIND OUT HOW TINYPULSE CAN BOOST
RECOGNITION AT YOUR COMPANY?

[Learn More](#)