

Globoforce Workforce Mood Tracker™ The September 2011 Report

The Impact of Recognition on Employee Retention

“
with no jobs in August, **CALLS FOR URGENT ACTION**”
— New York Times

“
reluctance to hire
STALLS JOB MARKET”
— Wall Street Journal

“
more
PEOPLE QUITTING
than getting laid off”
— NBC's Today Show

“
lack of skilled workers
THREATENS RECOVERY”
— Reuters

Executive Summary

News headlines are full of mixed messages. What's really going on the hearts and minds of those currently employed? How can you as an HR leader build a productive, engaged workforce for the long-term?

We decided to take a closer look. Twice a year, Globoforce surveys fully employed workers in the United States to get more insight on their attitudes and perspectives on employee recognition, appreciation, and satisfaction. The end result, the Globoforce® Workforce Mood Tracker™, is an invaluable benchmark on the driving factors behind employee engagement and motivation levels of the U.S. workforce.

At first glance, we learned what many are now feeling – the U.S. workforce has become even more disenchanted toward their employers in the last six months.

- In fact, 39 percent of workers do not feel appreciated at work, increasing from 32 percent six months ago.
- More than half (52 percent) of survey respondents were not satisfied with the level of recognition they receive, up from 41 percent.

But that isn't the whole story. In this report, we dived deeply into our survey and uncovered fascinating results about the relationship between employee retention and recognition. We learned employee recognition is a powerful and consistent factor in why many employees are seeking new jobs. This report details five workforce trends that can help HR leaders better recognize and retain today's employees.

Survey Details

In August 2011, independent market research firm MarketTools, Inc., collected 630 responses from fully employed persons (age 18 or older) at companies with 500+ employees in the United States, resulting in a margin of error of +/- 3.9 percentage points at the 95 percent level of confidence. The full results of all questions can be found at the end of this report.

AGE	
18-25	8%
26-35	24%
36-45	26%
46-55	23%
56+	19%

AREA OF PRIMARY RESIDENCE	
Northeast	30%
Midwest	27%
South	28%
West	15%

GENDER	
Male	46%
Female	54%

Report Findings

1. More employees dissatisfied and seeking new jobs despite challenging job market

Despite the current U.S. job market and news of flat levels of job creation, more people are looking to leave their companies now (38 percent) than in February 2011 (36 percent). In addition, 39 percent of workers don't feel appreciated at work (up from 32 percent in February 2011).

Employers have earned this distrust and overall dissatisfaction. While many workers could understand the need for layoffs and other actions to reduce the workforce during the recession, remaining employees continue to juggle the workloads of others in addition their own regular duties.

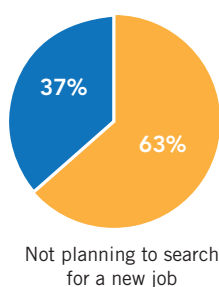
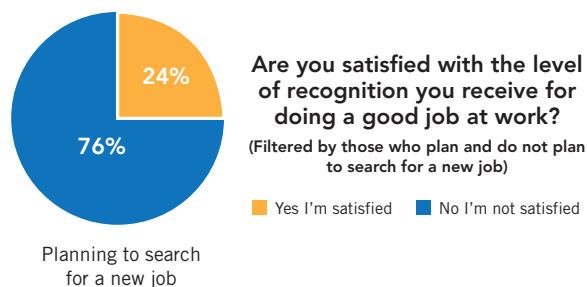
Do you plan to search for a new job in 2011?

	FEBRUARY 2011	SEPTEMBER 2011
YES	36%	38%
NO	64%	62%

“ It has been challenging enough to do our jobs in the past two to three years with budget cuts, diminishing support from the departments that are supposed to be supporting us, lowered morale and goodwill, etc. One can only take so much of that before job motivation and satisfaction goes down. ” – Survey respondent

2. Employees still haven't found what they are looking for – more recognition

Forty-nine percent of employees said they would leave their current job for a company that clearly recognized employees for their efforts and contributions. Employers shouldn't take comfort, however, in thinking only their disengaged employees are looking to leave. Additional research on this topic from Accenture found 43 percent of highly engaged workers have weak or lukewarm intentions to stay with their employers.¹

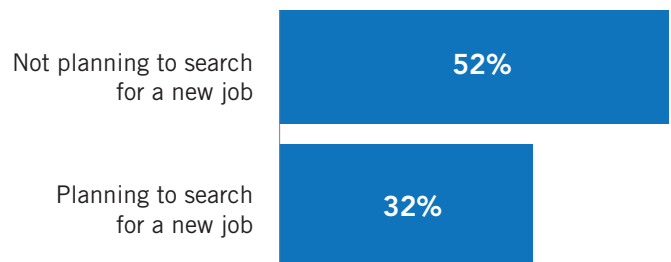


Of those employees searching for a new job this year, only one in four (24 percent) is satisfied with the recognition they receive for doing a good job. Comparatively, nearly two-thirds (63 percent) of employees who have no plans of leaving are satisfied with their recognition.

¹What Executives Really Need to Know about Employee Engagement, Accenture, June 2011.

Employees may like the work they do, their company, and their colleagues, but unless they have a sense of the value of what they do within the big picture, they will leave.² Frequent, specific and timely recognition is a powerful means to communicate to employees that what they do is valued and appreciated, yet only 32 percent of those who plan to leave their jobs this year have been recognized or appreciated at work in the last three months (as compared to 52 percent of those who have no intention of leaving).

Have you been recognized in the last 3 months



“Being recognized for doing a good job makes a person feel better about themselves and the company they work for, ensuring more loyalty.” – Survey respondent

3. Employees seek changes to their recognition programs

Unsurprisingly, two out of three employees (66 percent) who are planning to leave wish their company would improve their recognition program. In addition, 40 percent of those not seeking a new job also think the recognition program needs work.

Qualitative responses to the survey uncovered several themes for how to implement successful recognition programs:

Eliminate favoritism:

Multiple respondents expressed a desire for a more formal program that encourages peers as well as managers to recognize others to eliminate favoritism. As one respondent stated, “Many people who should be recognized go unnoticed due to favoritism among those who choose.”

Recognize more than just the elite:

A representative statement from many in the survey as to why companies should improve their recognition programs is, “Because only people in more prominent positions get the majority of the recognition” Successful recognition programs, proven to elevate engagement by 10% or more, broaden the “winners circle” to 80-90% of employees who are recognized and appreciated for their efforts and behaviors.

Value employees for more than their work:

Recognizing employees more frequently and specifically for their behaviors and contributions reminds employees that company leaders also see them as valued contributors. Or, as a respondent commented, a reason to improve the recognition program is “to have happy employees that feel they are being valued as human beings not just for work.”

²Lumesse, “Global Workplace Survey,” June 2011.

4. Improving recognition alone isn't enough.

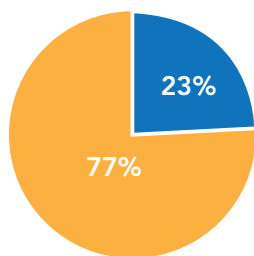
Across the board, all employees expressed a desire for improved reward choice. When asked what they would prefer for a reward, there was little difference between employees searching for a new job and the rest.

An overwhelming majority (84 percent) of all respondents preferred a wide choice of gift cards as the primary reward mechanism. We were not surprised to learn that none of the respondents who are searching for a new job would prefer company-branded items as rewards. Yet of those who remain loyal to their organizations, only two percent expressed a preference for these items. As one respondent commented, "We need a more substantial program. Currently we receive only token items of recognition of no value."



5. What's in it for employers? More productive employees

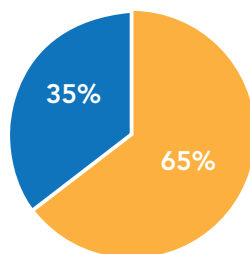
We probed more deeply into this point in the survey asking if employees would work harder if their efforts were better recognized and appreciated. Even for those employees with one foot out the door, 77 percent said they would. But even if employers fail to address the wishes of such disengaged employees, it's important to note that two-thirds (65 percent) of employees satisfied in their roles said they would also work harder if they were better recognized at work.



Of those planning to search for a new job


Would you work harder if your efforts were better recognized and appreciated?

Yes I would work harder
No I would not work harder



Of those **not** planning to search for a new job

“Upper management does not care about the workers, only their pockets and the shareholders, which is reflected in the work by the average employee. Better recognition would go miles to resolve this issue.” — Survey respondent



Of all employees surveyed, 78 percent said being recognized motivates them in their job. As one respondent explained, *“My company primarily focuses on rewarding growth of the business, and not enough focus is placed on rewarding excellence in execution.”*

Recognizing progress and not just results is critical to employee engagement and performance. (The Progress Principle, Teresa Amabile and Steven Kramer, Harvard Business Press, July 2011). Common employer practice of waiting until the end of months- or years-long projects to recognize employee efforts often results in employees feeling unappreciated and seeking work elsewhere. The Globoforce Workforce Mood Tracker survey substantiated this by revealing that only one-third of workers (37 percent) seeking a new employer feel appreciated at their current job. Those not looking for work seem to feel much more appreciated in their roles (75 percent).

Why is a strong employee recognition program so important to employees? They are searching for a sign the company cares about them. Only 26 percent of employees who are actively pursuing a new job think their current organization cares about them whereas 60 percent of those happy in their current roles believe the company cares.

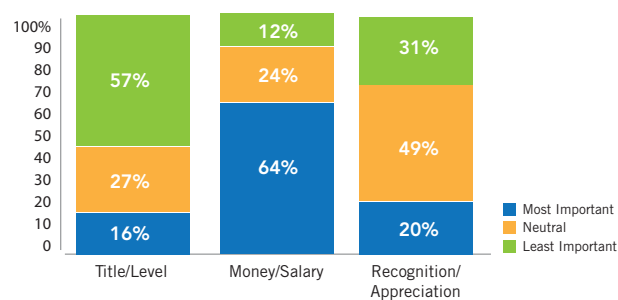
Are you ready to show your employees how much you value them and their contributions? Our recognition experts can help you implement a strategic recognition program designed to meet employee needs for recognition and proven to increase retention of highly valued employees. Visit us on the web at www.globoforce.com or email us at info@globoforce.com. To speak to one of our global consultants immediately, please call: +1 888-7-GFORCE.

2011 WorkForce Mood Tracker

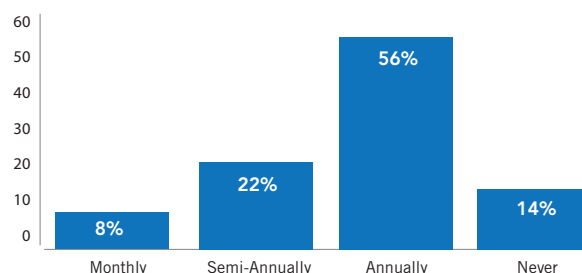
September 2011 – Full Results

	YES	NO
Do you feel appreciated at your job?	61%	39%
Are you satisfied with the level of recognition you receive for doing a good job at work?	48%	52%
Do you think your company cares about you?	47%	53%
Do you love your job?	50%	50%
At your company, are people rewarded according to their job performance?	41%	59%
Do you plan to search for a new job in 2011?	38%	62%
Do you like to have your efforts/ contributions at work recognized?	85%	15%
Did being recognized for your efforts/contribution motivate you in your job?	78%	22%
Did receiving recognition improve your relationship with your manager or co-worker?	61%	39%
Did receiving recognition make you more satisfied with your work and/or position in the company?	73%	27%
Would you leave your current job for a company that clearly recognized employees for their efforts/contributions?	49%	51%
Have you ever left a job because you weren't recognized/ appreciated at your work?	26%	74%
Would you work harder if your efforts were better recognized and appreciated?	69%	31%
Do you think annual performance reviews are an accurate appraisal for the work you do?	48%	52%
Do you feel your manager or supervisor effectively acknowledges and appreciates you at work?	63%	37%

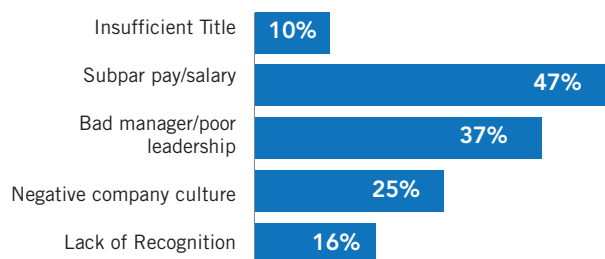
Where do you rank the following in terms of your job satisfaction? (1 being the most important and 3 being the least)



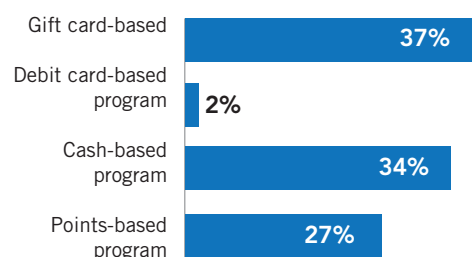
How often does your company do employee performance reviews?



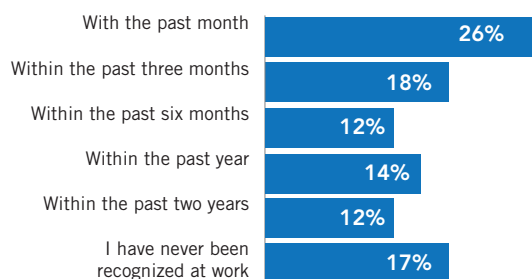
Why did you leave your last job/company? (Check all that apply)



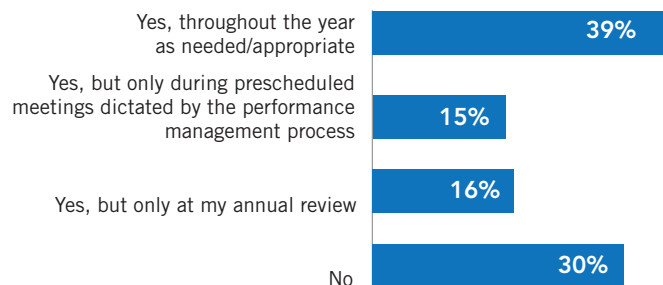
For your most recent recognition award, which type of recognition program was it from?



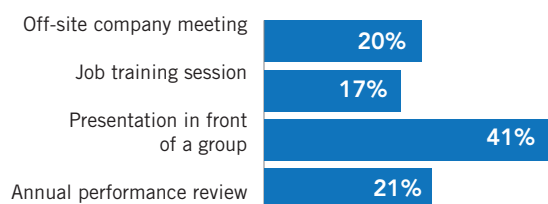
When was the last time you were recognized/appreciated at work?



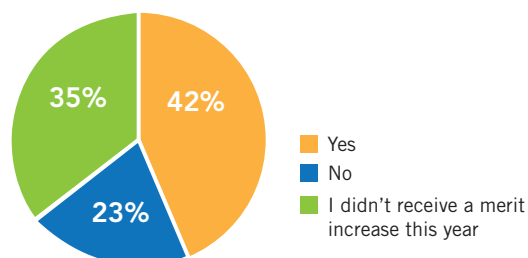
Does your manager give you constructive feedback as well as appropriate praise throughout the year?



Which of the following work events do you fear or dread the most?



Do you remember how much your last merit increase added to your paycheck?



About Globoforce

Founded in 1999, Globoforce is the world's leading provider of SaaS-based employee recognition solutions. Through its social, mobile and global technology, Globoforce helps HR and business leaders elevate employee engagement, increase employee retention, manage company culture, and discover the power of real-time performance management. Today, more than 1.7 million employees across the world are living their company values and achieving peak performance through the Globoforce platform. A private corporation, Globoforce is co-headquartered in Southborough, Massachusetts and Dublin, Ireland. To learn more, please visit www.globoforce.com or the Company's blog at <http://globoforce.com/globoblog>.

Globoforce (North America)

144 Turnpike Road, Suite 310, Southborough, MA 01772 USA

Phone: +1 (888) 7-GFORCE (436723) **Fax:** +1 (508) 357 8964 **Email:** info@globoforce.com

Globoforce (Europe)

21 Beckett Way, Park West Business Park, Dublin 12, Ireland

Phone: +353 1 625 8800 **Fax:** +353 1 625 8880 **Email:** info@globoforce.com

