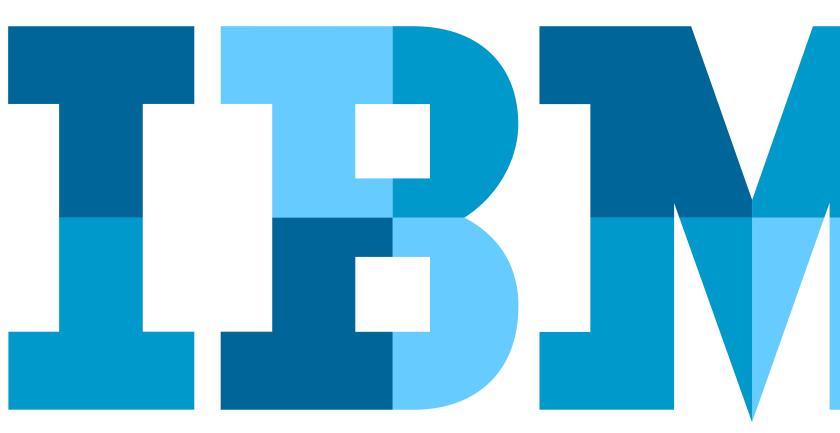IBM® **Smarter Workforce Institute**

How do I recognize thee, let me count the ways

Research insights into the impact of multi-channel recognition

By Dr. Haiyan Zhang, IBM Smarter Workforce Institute

Motivation is the inner force that directs, energizes, and sustains employees' efforts toward their goals[1]. Since employees' accomplishment of their goals leads to the success of a business, it is no wonder organizations are keen to find effective ways to increase employees' motivation.

Recognition is widely accepted as an essential component of motivation[2]. In over 40 years of motivation surveys, recognition consistently appears as a top motivator alongside other factors such as good pay and job security[3]. In this paper, the IBM Smarter Workforce Institute (SWI) explores the role of recognition in employee engagement (see Appendix A for definition of employee engagement) and retention, and how the use of multiple communication channels could enhance the power of recognition. With data from SWI's recent WorkTrends™ survey, the paper provides insight into the potential impact of frequent, timely, multi-channel employee recognition.

About the analyses

Analyses presented in this white paper are based on a sample of over 19,000 workers from the WorkTrends™ survey, administered by the IBM Smarter Workforce Institute in 2013/2014 to workers in 26 countries, in a cross-section of industries, thousands of different organizations and all major job families.
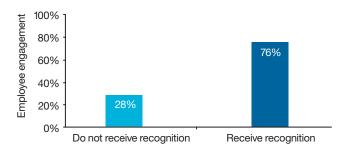
Key findings

SWI analyses reveal recognition is not only important to engage talent but also to keep talent. Furthermore, using multiple communication channels can enhance recognition, which in turn could bolster employee engagement.
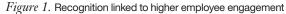
Key findings include:

- Employees who receive recognition are more likely to be engaged at work. The engagement level of employees who receive recognition is almost three times higher than the engagement level of those who do not.
- Workers who receive recognition are less likely to quit. Without recognition, about half (51 percent) of surveyed employees say they intend to leave, with recognition just one quarter (25 percent) say they intend to leave their organizations.
- Employees whose organizations use multiple communication channels for recognition are more likely to feel appreciated and show a higher level of employee engagement. The more channels used for recognition, the higher the employee engagement level.
- The findings imply that technologies such as social and mobile could be strong candidates for the effective delivery of recognition as they offer interactive, frequent and immediate communication via multiple channels.

Recognition linked to higher engagement

SWI analyses reveal employees who receive recognition are markedly more engaged than employees who do not (Figure 1). In fact, employee engagement levels are almost three times higher for recognized employees. When employees receive recognition for good work, their engagement level is as high as 76 percent. However, engagement falls to 28 percent among employees with no recognition. This is a significant 48 percentage point drop. The result suggests recognition enhances employee engagement and this is consistent with the results of a recent survey by World at Work[4]. In that survey, a majority of respondents believe their employees consider recognition programs to have a positive or extremely positive effect on engagement.

Figure 1. Recognition linked to higher employee engagement

Source: WorkTrends™ 2013/4 Global (n=15,859).
Notes: Receive recognition=Agree or strongly agree with the statement "I receive recognition when I do a good job". Do not receive recognition=Disagree or strongly disagree with the statement "I receive recognition when I do a good job".

The positive impact of recognition on engagement can be explained by Alderfer's ERG theory (Existence, Relatedness and Growth)[5]. According to ERG theory, the need to be recognized and appreciated is deeply ingrained in all employees. When employees receive acknowledgment and recognition for a job well done, their need for recognition is satisfied and thus they are motivated to pursue other needs such as growth and self-actualization or engagement in their work.

The positive effect of recognition on engagement can also be explained by reinforcement theory[6]. According to reinforcement theory, recognition acts as a positive consequence that strengthens employees' desirable behaviors. In other words, employees who receive recognition for good work are more likely to be motivated to put in extra effort at work and thus show increased engagement.

Reinforcement theory

Reinforcement theory, which was proposed by Harvard psychologist B.F. Skinner, states that an individual's behavior is influenced by its consequences. People tend to engage in behaviors that have a positive consequence and avoid behaviors that have unpleasant consequences.

Recognition linked to reduced turnover intention

According to a recent report from the US Bureau of Labor Statistics, the number of employees quitting their jobs has reached its highest point since early 2008[7]- 2.8 million American workers voluntarily left their jobs in March 2015[8]. This is a clear indication of how the retention of talent is one of the biggest challenges for organizations.

Our analyses suggest effective recognition could help reduce the likelihood of employees' wanting to leave. Employees who receive recognition are less likely to want to leave their organizations. In fact, intention to leave is twice as high among employees who do not receive recognition (51 percent) compared to those who do (25 percent). See Figure 2.

The effect of recognition on reduced turnover intention can be explained by social exchange theory[9]. According to social exchange theory, when an employee receives recognition in the workplace, they feel they are appreciated and valued and thus are likely to respond reciprocally by remaining in the organization.
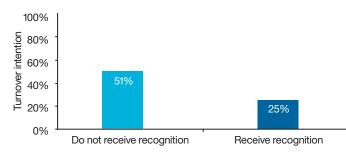

Figure 2. Recognition linked to reduced turnover intention

Source: WorkTrends™ 2013/4 Global (n=15,859).
Notes: Receive recognition=Agree or strongly agree with the statement "I receive recognition when I do a good job". Do not receive recognition=Disagree or strongly disagree with the statement "I receive recognition when I do a good job". Turnover intention measured by the level of agreement to the statement "I am seriously considering leaving my organization within the next 12 months".

ERG theory

ERG theory was based on Maslow's Hierarchy of Needs[10]. Alderfer categorized Maslow's hierarchy into three basic needs, Existence (E), Relatedness (R) and Growth (G). As one need is fulfilled, it serves as motivation for people to satisfy another need or re-satisfy the need.

- E**xistence** refers to the need for basics such as food and safety. Organizations can satisfy these needs through pay and safe work conditions[11].
- **Relatedness** refers to the need for belonging and acknowledgement. Organizations can meet this need through support, respect and recognition[11].
- **Growth** refers to the need for personal growth and development. This need can be satisfied through creative and meaningful work[11].

Social exchange theory

Social exchange theory suggests that the relationship between organizations and employees goes beyond the economic exchange of receiving pay. It also includes social emotional exchange such as respect and recognition[12].

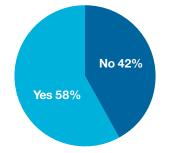## Recognition via multiple channels to enhance engagement

Recognizing others in the workplace has traditionally been done face-to-face or in writing. In today's fast-paced business world of ever-growing virtual teams, the use of a wider variety of communication channels, such as instant messaging and online meetings to deliver recognition, is becoming ever more commonplace. In this study, SWI examined how some of these newer (technology-enabled) communication channels (see Appendix B) impacted the recognition of employees. Since they are already established and well-researched, more traditional channels such as face-to-face recognition were excluded from our analyses, however the authors recognize that they remain a critically effective part of the recognition process.

A majority (58 percent) of respondents in our survey report receiving recognition via at least one of the surveyed channels, although a large percentage (42 percent) say their organizations do not use any of these channels to provide recognition (Figure 3).

Does your organization use any listed technology to show recognition to employees for a job well done?

Figure 3. Organizational use of the technology-enabled channels for recognition

Source: WorkTrends™ 2013/4 Global (n=19,337).

Of the 58 percent who said their organizations used at least one of the technology-enabled channels for recognition, the most popular channels are email (58 percent), real-time communication such as instant messaging (25 percent) and online meetings (18 percent). See Figure 4.

Communication channels used to show recognition

Figure 4. Use of different channels for recognition

Source: WorkTrends™ 2013/4 Global (N=11,205). *Results based on employees whose organizations use listed channels for recognition.

Interestingly, the SWI analyses showed that employee engagement scores vary according to the number of surveyed channels used for recognition; the more channels used, the higher the employee engagement. In fact, engagement scores rise from 52 percent when none of the identified channels are used for recognition, up to 85 percent when four or more different channels are used for recognition, a 33 percentage point increase (Figure 5).
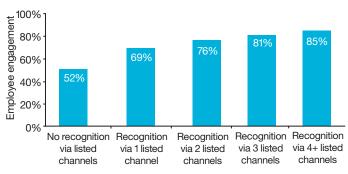

Figure 5. Employee engagement by number of channels used for recognition

Source: WorkTrends™ 2013/4 Global (n=19,337).

In order to explore the relationship between recognition via multiple communication channels and employee engagement, a series of hierarchical regressions was conducted. The results suggest that multiple technology-enabled communication channels enhance engagement mostly through perception of recognition. In other words, using multiple channels for recognition is more likely to make employees feel appreciated and that, in turn, bolsters employee engagement. Readers interested in the results of these correlational analyses can contact the author for further details.

This finding may be explained by the immediacy and frequency of the channels. Employees who receive recognition through multiple channels are more likely to receive timelier and perhaps even more frequent recognition. As a result, they are more likely to have a better experience of recognition, and thus they are more likely to be engaged.

Conclusion and Implications

This paper presents empirical evidence of the impact of recognition on employee engagement and retention from SWI's global WorkTrends™ survey. The analyses further present a strong indication of the potential value of a multi-channel approach to employee recognition.

It has been shown that recognition is more meaningful when it is delivered in a timelier and more frequent manner[13]. By removing the restriction of geographic location and timing, the use of a variety of technology-enabled communication channels can have a positive impact on employees, driven by the fast and frequent delivery of recognition. Furthermore, recognition delivered through some of these channels (such as email and instant messaging) can be saved and remembered and thus may enhance the positive effects of recognition. The importance of this persistence of recognition deserves further exploration.

It is important to note that the channels selected for study in this paper are technology-enabled channels such as instant messaging and online meetings. The research was not designed to compare these newer channels of recognition with more traditional channels, such as face-to-face recognition, but rather to explore whether technology-enabled channels of recognition can effectively supplement traditional channels. Our findings would indicate that this could indeed be the case.

A recent World at Work survey reported that almost half of organizations (46 percent) are considering implementing new or additional recognition programs in the next 12 months[14]. Based on findings in this study, organizations should consider taking full advantage of varied communication channels in their recognition programs. In particular, social, mobile, and other technologies could be strong candidates for the effective delivery of recognition messages as they enable multiple channels and offer opportunities for interactive, frequent, and immediate communication. If done right, employee recognition programs can unleash the full power of thanks[15].

For more information

To learn how to build a smarter workforce, visit:
ibm.com/smarterworkforce

About the Author

Dr. Haiyan Zhang

Dr. Haiyan Zhang is an Industrial/Organizational Psychologist with the IBM Smarter Workforce Institute. Her areas of expertise include qualitative and quantitative research methods, HR practices and organizational performance, and cross-cultural human capital management. She has presented and published research findings at various conferences and in peer-reviewed journals nationally and internationally. She has also served as a reviewer for a number of conferences and journals. Haiyan is a member of Society for Industrial and Organizational Psychologists (SIOP). She received her Ph.D. in Human Resources Management from the DeGroote School of Business at McMaster University, Canada. Prior to her doctoral study, Haiyan had extensive research and management consulting experience in China.

Contributors

Dr. Sheri Feinzig

Dr. Sheri Feinzig is the Director of IBM's Smarter Workforce Institute, and has over 20 years of experience in human resources research, organizational change management, and business transformation. Sheri has applied her analytical and

methodological expertise to many research-based projects on topics such as employee retention, employee engagement, job design and organizational culture. She has also led several global, multi-year sales transformation initiatives designed to optimize seller territories and quota allocation. Additional areas of expertise include social network analysis, performance feedback and knowledge management. Sheri received her Ph.D. in Industrial/Organizational Psychology from the University at Albany, State University of New York. She has presented on numerous occasions at national conferences and has co-authored a number of manuscripts, publications and technical reports. She has served as an adjunct professor in the Psychology departments of Rensselaer Polytechnic Institute in Troy, New York and the Illinois Institute of Technology in Chicago, Illinois, where she taught doctoral, masters and undergraduate courses on performance appraisal, test and measures.

Louise Raisbeck

Louise Raisbeck is responsible for marketing communications in the IBM Smarter Workforce Institute. She has worked in the field of workforce research for more than 10 years and is responsible for turning research insights into engaging, thought-provoking and practical white papers, reports, blogs, and media materials. Louise is a member of the Chartered Institute of Public Relations and a former director of a top 10 PR consultancy in the UK.

IBM Smarter Workforce Institute

The IBM Smarter Workforce Institute produces rigorous, global, innovative research spanning a wide range of workforce topics. The Institute's team of experienced researchers applies depth and breadth of content and analytical expertise to generate reports, white papers and insights that advance the collective understanding of work and organizations. This white paper is part of IBM's on-going commitment to provide highly credible, leading-edge research findings that help organizations realize value through their people.

Appendix A
Employee Engagement

Employee engagement is the extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals[16]. IBM Kenexa measures Employee Engagement by the level of agreement with the following four statements:

- I am proud to tell people I work for my organization
- Overall, I am extremely satisfied with my organization as a place to work
- I would gladly refer a good friend or family member to my organization for employment
- I rarely think about looking for a new job with another organization

Appendix B
Communication channels surveyed as part of this study:
- Email
- Real time communication (such as enterprise instant messaging)
- Online meetings or webinars
- Teleconferences and videoconferences
- Content management tools such as file sharing and wikis, social networking communities.

Notes

1   Baron, R. A. (1983). Behavior in organizations. New York: Allyn & Bacon, Inc.

2   Brun, J. P., & Dugas, N. (2008). An analysis of employee recognition: Perspectives on human resources practices. The International Journal of Human Resource Management, 19(4), 716-730.

3   Wiley, C. (1997). What motivates employees according to over 40 years of motivation surveys. International Journal of Manpower, 18(3), 263-280.

4   Trends in employee recognition in 2013. Retrieved at http://www.worldatwork.org/waw/Content/research/html/research-home.jsp

5   Alderfer, C. P. (1972) Existence, Relatedness, and Growth; Human Needs in Organizational Settings, New York: Free Press.

6   Skinner, B. F. (1953) Science and Human Behavior New York: Macmillan.

7   Retrieved at http://www.bls.gov/jlt/

8   Retrieved at http://www.bls.gov/news.release/jolts.nr0.htm

9   Blau, P. M. (1964). Exchange and power in social life. Transaction Publishers.

10 Maslow, A.H. (1943). A theory of human motivation. Psychological Review 50 (4) 370–96. Retrieved from http://psychclassics.yorku.ca/Maslow/motivation.htm

11 Schultz, D. (1982). Psychology and industry today. New York: Macmillan Publishing Co., Inc.

12 Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch, P. D., & Rhoades, L. (2001). Reciprocation of perceived organizational support. Journal of applied psychology, 86(1), 42.

13 Nelson, B. (1994). 1001 ways to reward employees. New York: Workman Publishing

14 Trends in employee recognition in 2013. Retrieved by http://www.worldatwork.org/waw/Content/research/html/research-home.jsp

15 Mosley, E. & Irvine, D. (2015). The Power of Thanks: How Social Recognition Empowers Employees and Creates a Best Place to Work. McGraw-Hill Education.

16 Kenexa High Performance Institute (2008). Engaging the employee, a Kenexa Research Institute WorkTrends Report. Retrieved from http:// KHPI.com