

Appreciating your staff makes sound business sense

The four main ways to make employees feel valued

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Many organizations have reduced their staff significantly in these tough economic times. Employees have not seen pay rises, bonuses or even cost-of-living adjustments for three or more years. Many families exist on less income because of lost jobs, reduced hours or being underemployed.

In every industry sector, employees are stressed. Completing the same amount of work, with fewer team members, for the equivalent pay (along with uncertainty about the future of their job) is a formula for stress, burn-out and resentment. Some studies have shown that office staff are doing 30 per cent more work than in 2007, for the same pay.

Business owners and managers are aware that they are in a highly competitive environment, with less discretionary spending and fewer customers to compete for. Even non-profit organizations are feeling the competition for donations and funding. This pattern will continue as local and state governments continue to reduce spending to attempt to balance their budgets.

What to do?

Many business owners and directors of non-profit organizations want to pay their staff more, but the money is not there. These leaders know that their team members are stressed, but they do not know what to do to encourage them.

There is a growing chasm between employees and business owners and managers. Research consistently shows that the vast majority of employees do not feel valued or appreciated at work. In one study, 55 per cent of the workers reported that they had received no recognition for doing good work in the past 12 months.

When asked how much she felt her bosses cared about her and her contribution to the company, Kim, a highly successful customer-relations manager, scoffed: "Are you kidding me? They do not care about me at all. As long as I perform well and make them money, it is fine. But once that stops, I am history".

Bad things happen when people do not feel appreciated

For business and organizational leaders, one key point to understand is that, from a business perspective, this is not about making people "feel good". A core issue is that when employees do not feel appreciated, bad things happen in the organization, with higher rates of tardiness, more absenteeism, increased internal theft by employees and

managers, higher staff turnover, more internal conflict and stress among team members, a drop in productivity and the quality of work and lower customer-satisfaction ratings.

All of these results contribute to higher costs for companies and organizations. Finding and training new employees is among the most expensive non-productive costs to organizations. Absenteeism can be up to 30 per cent of a company's payroll, when including direct and indirect costs.

The incompetent knight in shining armor

Over the past 5 to 10 years, leaders have looked to one "savior" that may resolve the issue and help employees to feel better about their jobs – employee-recognition programs. Such programs have proliferated in the private sector, where 80 per cent of the largest corporations have them in place, and even in non-profit and government agencies.

The problem is that employee-recognition programs do not work, as they are currently being implemented. Employee engagement – the degree to which an employee is emotionally committed to the job – and job satisfaction are declining, while cynicism, lack of trust and resentment are growing in many organizations.

This is frustrating to business owners, managers and supervisors. When speaking with leaders, I often hear: "I don't know what they want. I tell them they are doing a good job. I try to compliment and support them. And we give out awards and some gifts – but nothing seems to help". In arenas where financial rewards, bonuses and perks have been used in the past, managers do not know what to do because the financial rewards are not currently available.

Recognition is not the same as appreciation

It is important to understand that recognition is not the same as appreciation. Recognition, as it is practiced in most organizations, focuses primarily on external behavior and specifically, employee performance. Team members receive a verbal compliment or possibly some tangible reward, when they are observed to be doing well in the behaviors (or results) desired by the company.

Employee-recognition programs typically are not viewed well by employees. I hear the same complaints repeatedly: "It is so contrived". "They just want to get more out of us". "They don't care about me personally, they just want me to perform better". "The 'rewards' they give us are lame anyway. Who cares about parking closer to the building?"

Over time, resentment, anger and a lack of trust build.

Key components for employees to feel truly valued

Fortunately, in working with work groups across the USA, we have been able to identify four key components for team members (both employees and volunteers) to feel valued by their supervisors and colleagues.

For team members to truly feel valued, appreciation must be:

- *Communicated regularly*: Once or twice a year at the employee's performance review, or monthly awards at the "team member of the month" ceremony, do not get it done. The annual "employee (or volunteer) appreciation dinner/picnic" does not cut it either. People need frequent feedback that they are valued. The frequency will differ according to the individual and the setting.
- *Individualized and personal*: A blast e-mail to the team saying, "Good job, team. Way to get the project done", does not say anything to the shipping clerk who worked late to get the order out. Having a group ice-cream social to show appreciation to the church's youth-group leaders often feels like a cheap, convenient way to say "thanks" to a big group all at once.

- *In the language and specific actions meaningful to the recipient:* Do you realize that 20-25 per cent of people do not want to go up front to receive a reward? Or that going to an unstructured, social gathering with a group of people they do not know well is more like torture for many introverts? Even if you get the language of appreciation correct for a person, there are still many different actions within the language that can “hit” or “miss” the target for an individual.
- *Perceived as authentic:* The biggest complaint about employee-recognition programs is that they feel contrived and “they don’t really mean it – they are just doing it because they are supposed to”. If the message sent is not believed to be genuine, the person (or organization) is wasting his or her time.

Not everyone feels appreciated in the same way

Just as individuals feel loved through different actions, so team members have different languages of appreciation and unique actions within each language that are more meaningful to them. Not everyone likes verbal praise. Some people do not trust words. Others have been manipulated in the past, while others believe that actions speak louder than words. Or, for some, time is the most important message you can send.

It is difficult to determine the preferred language of appreciation, or the specific actions they desire, of those with whom you work. The topic does not typically come up in daily conversation. As a result, we created an online instrument which identifies team members’ primary and secondary languages of appreciation and allows them to specify the unique acts important to them.

Good things happen when employees feel appreciated

Leaders can make their companies and organizations more likely to survive these difficult times by paying attention to and investing in valuing their team members. Over time, the return on investment will be significant in terms of reduced absenteeism, lower staff-replacement costs, improved customer satisfaction, a more positive work environment, less conflict, increased productivity and employees and managers enjoying their work more.

The key is to communicate authentic appreciation in the ways that are meaningful to your team members. This makes good business sense.

Note

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Keywords:

Employee attitudes,
Management,
Employee feedback,
Employee performance

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