

**Achievers**

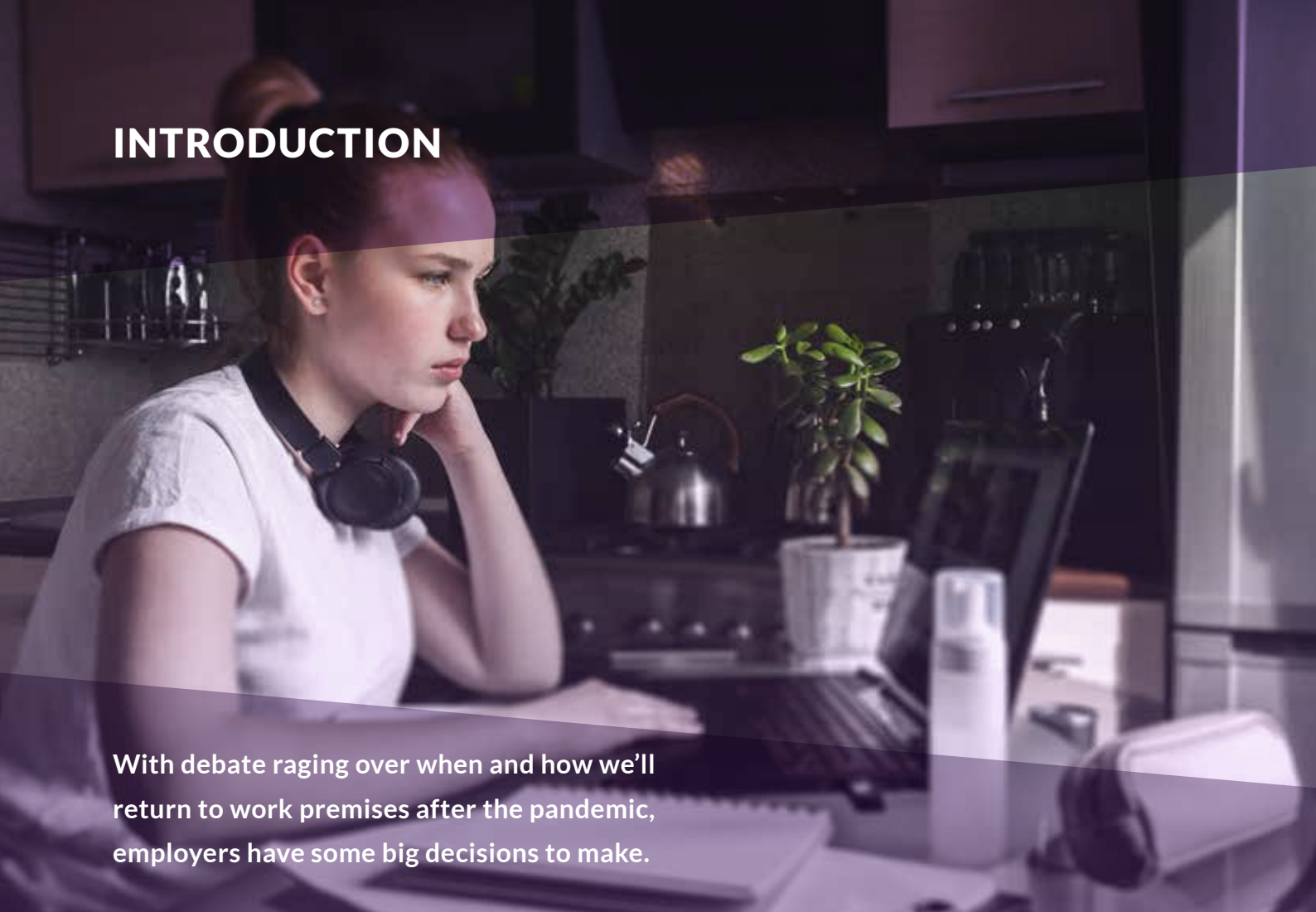
# Re-engage, recognise, reward, retain:

EMPLOYEE STRATEGIES FOR A NEW WORLD OF WORK

An Achievers Report



# INTRODUCTION



**With debate raging over when and how we'll return to work premises after the pandemic, employers have some big decisions to make.**

In the UK, research by the BBC found the vast majority of blue-chip employers are set to allow remote working in future. Meanwhile, 52% of CEOs in Germany expect their business to reduce the size of its premises as more employees work from home<sup>1</sup>.

You'll doubtless have seen surveys of business leaders and their attitudes to post-pandemic working. But what do employees think?

It's a critical question. Without employee feedback, companies won't understand how workforces feel about a mass return to on-site working. And that lack of insight could create holes in your recognition, reward and retention strategies - with your best talent feeling they don't belong and looking for ways out.

To support businesses through this time of changing corporate culture Achievers has surveyed 2,000 employees in the key European markets of Germany and the UK. In this report, we present their attitudes to working life and offer solutions to various issues emerging from the upheaval wrought by COVID-19.

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1. <https://www.conference-board.org/pdfdownload.cfm?masterProductID=23597>



Our findings include:

- While fewer than half of all employees want to leave their job, many are unclear on their reasons for staying. This suggests they're in a holding pattern, waiting for another employer to offer a more rewarding role.
- Younger employees feel more unsettled, undervalued and unheard than their older counterparts. It's a dangerous trend that could see your stars of the future move on.
- Younger generations are also on a path to burnout, with many pushed into 'presenteeism', feeling pressured to become more productive while working remotely. Allaying their anxiety is critical to retention.
- Disconnection with colleagues and the wider company is rife, along with a sense of feeling undervalued by management. Despite this, employees are keen to share their views on company culture—though they often feel their feedback is ignored. When they do receive recognition, they are happy to work harder.

The results of our research reveal that employers have reached a critical juncture, with an urgent need to better understand and act on employees' concerns. Listening and responding to these widely varying concerns, and delivering a programme of recognition and reward, should be top of every boardroom agenda.

With the global workplace undergoing such a seismic shift, new strategies are required to drive engagement, alignment and commercial performance.

**Only then can you create strong connections with your employees, building trust, loyalty and productivity.**

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# ANALYSIS: CHANGING CULTURE AND EMPLOYEE EXPECTATIONS



## SEEKING A NEW CHALLENGE

With the unsettling events of the pandemic still fresh in their minds, any employee could be forgiven for wanting to move on to pastures new. Although there is an alternative viewpoint, that staying put is the sensible option in an uncertain jobs market.

Respondents are clearly wrestling with these issues. Overall, 41% have already applied elsewhere or intend to do so as we emerge from the pandemic<sup>2</sup>.

Having itchy feet or preferring to remain reveals a demographic difference: the younger the demographic, the higher the willingness to change jobs:

### EMPLOYEES APPLYING OR INTENDING TO APPLY FOR NEW JOBS

	UK	GERMANY
16-24	78%	71%
25-34	56%	54%
35-44	41%	37%
45-54	26%	27%
55+	21%	14%

*41% have already applied elsewhere or intend to do so as we emerge from the pandemic*

2. The figure is 43% in Germany and 39% for the UK.

## REASONS FOR MOVING ON

Perhaps unsurprisingly amid such upheaval and contemplation of personal circumstances, the main reason for moving cited in the UK was seeking a better work-life balance (28%). This explanation was given by half as many workers in Germany (14%), who are more likely to want better pay and benefits (24%).

The desire to balance professional and personal time crosses generations, with 22% of 16-24s rating it their main reason for leaving a job, and more than a quarter of those aged 55+ agreeing (26%). Among 35-44s and 45-54s, however, the number one reason given for leaving a job is to gain better pay and benefits (22% for each group).

UK respondents in particular appear tired of their old routines. A third of those aged 25 to 34 (33%), along with 27% of both 35-44s and 55+ employees, want a better balance.

In Germany, meanwhile, better compensation is the main driver for switching. The older the respondent, the more likely this is, with 40% of employees aged 55+ seeking improved pay and benefits, compared with 19% of 16- to 24-year-olds.

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*The number one reason given for leaving a job is to gain better pay and benefits*

## SHOULD I STAY OR SHOULD I GO?

A significant proportion of respondents who haven't yet considered leaving their job couldn't give a major reason for staying with their current employer—a fact that should galvanise firms into action.

A quarter of UK respondents cite no main reason to stay put, the second most popular answer behind work-life balance (26%). In Germany, 17% admit no reason for remaining springs to mind, second behind satisfaction with their current compensation and benefits (19%).

Overall, having no main reason to stay is the top response (21%). It is easily the most popular choice for those aged 55 and over (24%) and ranks first among 16-24s (20%).

Digging further into the views of the youngest age group, 20% of German respondents say a strong relationship with their manager keeps them in post; in the UK, the top answer is recognition for their work (19%).

**All of this points to potentially big trouble for employers, indicating a huge pool of people who have no strong reason to be loyal and might accept a new role if the right offer were to come along.**

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## WHY YOUR PEOPLE SWITCH OFF

While more than 6 in 10 respondents overall (62%) describe themselves as very or somewhat engaged in their current job, that leaves almost 4 in 10 who claim average engagement or disengagement. Strong engagement is lowest among 16-24s (59%). While engagement is relatively stable by age in the UK, it clearly increases with age in Germany.

Meanwhile, 67% of workers in Germany feel very or somewhat engaged, compared to 58% in the UK. Broken down further, 41% feel very engaged in Germany versus 24% of UK employees.

But knowing your employees' basic engagement levels is not enough. Understanding the reasons why they switch off can mean the difference between them staying or seeking a new job.

While 38% of respondents suggest there is no main hindrance to them feeling engaged at work, others reveal strong reasons for losing connection and loyalty to their organisation:

### REASONS EMPLOYEES FEEL DISENGAGED BY WORK

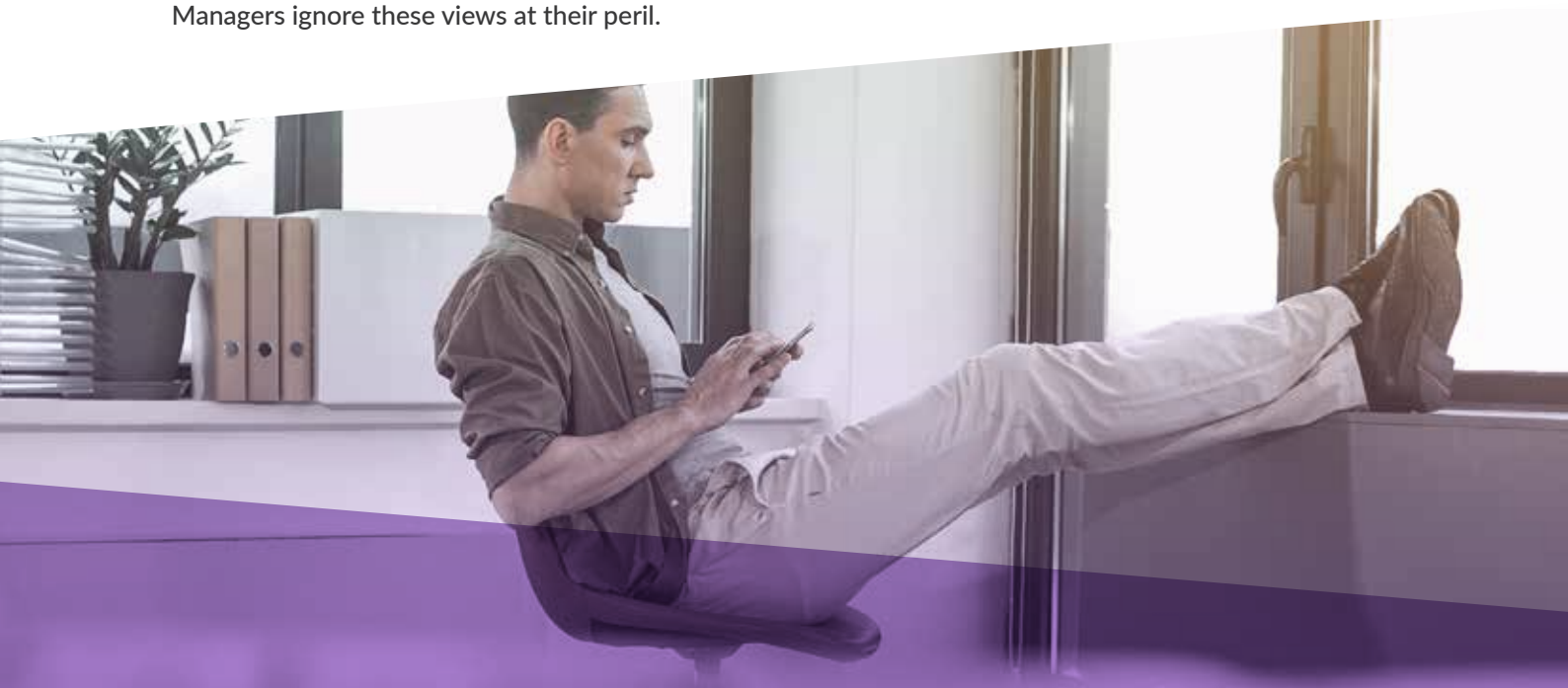
	ALL RESPONDENTS (%)	UK	GERMANY
Feeling underappreciated	23	20	26
Lack of career growth	21	18	24
Managers not listening to/ acting on my feedback	19	19	19
I don't trust the leaders	16	16	16
Relationship with manager	14	12	15

This is a broad range of gripes; leaders aren't listening to feedback, so employees feel undervalued, damaging trust and hurting working relationships.

What's more, these feelings are most acute among younger employees. In Germany, feeling underappreciated is the main barrier to engagement for 16-24s (28%). In the UK, unheard or overlooked feedback is the top response (32%).

**Managers ignore these views at their peril.**

*Understanding the reasons why they switch off can mean the difference between them staying or seeking a new job*



## WHY RECOGNITION BOOSTS PRODUCTIVITY

With nearly a quarter of all employees (24%) believing their work doesn't get the recognition it deserves from their manager or wider organisation, it's vital to understand how that translates into satisfaction and motivation.

While the majority of workers are happy with the level of recognition they receive, lack of praise has left significant numbers feeling undervalued. A similar percentage of respondents (24%) state their superiors do not value their work, with a further 19% unsure whether they do or not.

In the UK, where 29% overall feel undervalued, a third of those aged 16 to 24 feel undervalued. Similarly in Germany, a quarter of the youngest age group say their work is not valued—the highest figure for any age group.

Employees tell us there are lots of ways to make them feel valued, ranging from managerial recognition (20%) to customer thanks (16%), but also peer recognition (14%) and senior leader acknowledgment (13%).

While UK employees favour customer recognition the most (18%)—reflecting the country's service industry domination—German respondents want one-on-one praise from their line manager (23%).

While German 16-24s want to shout about their successes, young UK employees are most keen on customer and senior leader recognition:

### HOW 16- to 24-YEAR-OLDS WANT TO FEEL VALUED AT WORK VS ALL AGE GROUPS

	ALL RESPONDENTS (%)	UK	GERMANY
Direct manager recognition	20	12	15
Customer recognition	17	21	16
Financial reward	15	15	10
Peer recognition	14	8	20
Senior leader recognition	13	19	15
Nothing	11	10	3
Recognition in front of the company	10	15	20

It's clear many different factors encourage employees. So a recognition and reward strategy must be devised that takes all of these disparate cultural aspects into account.

The benefits from employees feeling valued are plain to see. A third of all workers (33%) work harder when their efforts are recognised, and 26% say a strong culture of recognition makes a company an attractive place to work.

**The ability to praise colleagues is also key for 21%. But with 18% wishing their prize for receiving praise was more meaningful, it seems there's still some way to go to get recognition and reward right.**

*Lack of praise has left significant numbers feeling undervalued. 24% of respondents state their superiors do not value their work, with a further 19% unsure whether they do or not*

## OUT OF THE LOOP: FEEDBACK FRUSTRATION

As we've seen, feedback is a bone of contention for numerous employees: they feel there isn't enough of it, and even if there is, managers don't act on it.

Almost half of workers (49%) told us they had been prompted for feedback on improving employee experience at their organisation. But here's the rub: the proportion who say they have been asked for their thoughts was lower for every other issue we asked about.

That means employers have sought feedback from only a minority of employees with regard to:

- Racial/social justice (37%)
- D&I (41%)
- Hybrid work preferences post-pandemic (42%)
- Improving culture during COVID-19 (45%)

Employees are fairly positive about managers acting on feedback they have provided, with 73% rating them very good or somewhat good. 18-24s are the most enthusiastic with 81% giving their managers the thumbs up.

However, employers seem to seek and value the views of younger workers more than their older counterparts, who describe their bosses' efforts to act on feedback as suboptimal.

And around 3 in 10 employees in each of the 35-44, 45-54 and 55+ age groups are dissatisfied with the implementation of feedback: we call this 'inaction fatigue'.

There is a common concern that more frequent surveys will result in survey fatigue. However, research shows that as long as organisations take action on survey results, employees will be happy to continue to give their feedback. When employers continually ask questions but take no action on the feedback shared, employees feel unheard and unvalued, and will eventually stop contributing to such listening tools and surveys.

Around one-fifth of employees (20% in the UK, 19% in Germany), state their employers are not good at acting on feedback. So, while many respondents feel they are at least being asked how to improve the employee experience, there is still a long way to go to ensure every voice is being heard, on every important subject.

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## NO PANIC IN THE PANDEMIC

Almost half of employees say their organisation has been keen to hear their views on company culture amid the pandemic (45%). There's evidence that firms strove to shore up culture in this difficult period, with 19% of employees saying it has improved, a further 59% rating it the same, and fewer than 1 in 6 claiming it has deteriorated (16%).

These sentiments were similar in the UK and Germany—although feelings vary by age bracket. In the UK, 23% of 16-24s say company culture has deteriorated since the pandemic hit, some way ahead of the next most frustrated group, 25-34s (17%).

Among German respondents, twice as many 16-24s think culture has improved (30%) than deteriorated (15%). The 35- to 44-year-olds feel most disgruntled about culture change (21%).

Overall, businesses have done fairly well at keeping people connected with each other and the wider organisation. Just 1 in 5 suggest they feel more remote since the start of the pandemic, with 21% feeling closer and 55% about the same. In the UK, connection decreases with age: 30% of 16-24s feel more connected, but only 16% of 45-54s.

Digital nativism could be a key factor here. As companies switched to virtual connections younger age groups may have embraced them more easily. Regardless, it's crucial companies remember there is rarely a one-size-fits-all approach to communication that will satisfy all firms and all employees.

## THE PERILS OF PRESENTEEISM

Although fewer than a quarter of employees (23%) think managers are watching their productivity levels like hawks during a new era of remote working, that still means presenteeism affects a significant proportion of the workforce.

German employees (25%) worry more than UK workers (21%), while the youngest respondents especially say they're under the microscope (37%). The trend is similar in both countries, although young German employees in particular have the jitters (41%).

Presenteeism is causing employees to take drastic measures to show they're working harder, which could easily lead to burnout:

- 65% log into work early
- 65% stay online later
- 55% work during (or stop taking) holidays
- 51% work through lunch break

This is a prime example of an emerging problem employers must urgently get to grips with. In isolation, anxiety about demonstrating hard work is tricky enough to assuage. Combined with other negative beliefs employees hold, it could be enough to push some people through the exit.

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## SUMMARY: MIND THE GENERATION GAP

The overall employment picture painted by our research shows:

- generational divides – younger employees generally feel more unsettled and unheard
- feedback failures – firms are failing to ask about critical issues that cross demographics – from company culture to diversity and inclusion
- recognition and reward works – but closer consideration of methods and types of recognition are required, because many workers feel undervalued

Among all of the fascinating data from our research there are two key takeouts:

- 1. Take seriously your stars of the future**
- 2. Put in place systems to gather feedback from all generations, allowing your organisation to listen, learn and lead**

By improving communication, you can boost relationships, creating employee engagement, trust, satisfaction, loyalty—and, ultimately, a better company culture.

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## TOP TIPS FOR BETTER ENGAGEMENT

Our analysis shows that HR leaders are facing unique challenges and must focus on the main causes of employee uncertainty in order to improve engagement, retention, and satisfaction.

Below, we offer a whistle-stop guide to solutions your organisation can consider in order to connect the dots on engagement and retention—to reduce employee churn and improve results, propelled by a more enthusiastic and committed team.

# 1: FOCUS ON FEEDBACK



Earlier we encountered inaction fatigue. We are witnessing significant changes in employment driven by the effects of the pandemic. It's essential, then, for organisations to show they are continually taking their employees' sentiments into account.

Making surveys quick and easy for employees to complete brings greater participation and stronger, more reliable results. Pulse surveys enable streamlined data collection and timely analysis of results, so organisations can respond to feedback quickly. Do you know, for example, how your employees are feeling about returning to their physical workplace?

When COVID-19 hit in early 2020, the Achievers leadership team issued home working guidelines to reduce stress, such as avoiding early or late meetings, and no emails after 6pm.

However, these suggestions were soon overridden by employee feedback through our listening tool, Allie, with team members highlighting the importance of flexible working while their children were studying at home during working hours. Thanks to their feedback we quickly corrected course.

## 2: SAY “THANK YOU” OFTEN



Recognition must not be overlooked as a powerful way to protect turnover.

The impact of consistently saying “thank you” is often underestimated. Yet creating a culture of recognition will not only reduce employee turnover but will also increase engagement and productivity. It’s clear people value a range of tactics, so organisations should implement a solution that democratises recognition among employees.

In essence, this means companies should be prepared to allow recognition to flow freely throughout the business - not least from the bottom up. This is another area where technology can help companies take a great leap forward. Employees should be encouraged and empowered to recognise any team member, regardless of their physical location, function or job level.

### 3: VALUE EVERYONE'S VIEWS



Our data identifies generational divides in employee sentiment. Young employees generally feel more unsettled and unheard; they could be said to feel a lack of belonging. Many firms recognise this undermines employee satisfaction and retention: in a 2020 Deloitte survey, 79% of businesses said that fostering a sense of belonging in their workforce would be important to their organisation's success in the subsequent 12-18 months .

In our survey, 17% of respondents aged 16 to 24 felt their employer's values do not align with their own, prompting them to consider leaving. The next largest group reporting this issue is 25- to 34-year-olds (13%), while it decreases as a factor with increasing employee age.

The fact that shared values was a significant reason people remain in their role proves just how crucial aligning with employee values will continue to be. More than 1 in 10 employees aged 16 to 24 (11%) named this as a key factor.

Workplaces must find ways to ensure every employee feels welcomed, included, supported and connected, using technology to build employee-first cultures. Currently, just 12% of respondents across age groups and locations suggest recognition is linked to company values at their organisation; clearly something that should be factored in when reshaping your recognition strategy.

## 4: DELIVER ON DIVERSITY



Just as the generational divide is pertinent to a sense of belonging, so too are other areas relating to D&I: race, gender, sexual orientation, age, background, and so on.

It is vital for everyone to feel a sense of belonging in the workplace. This should be connected with the wider business regardless of what any new working patterns might look like—or, indeed, their personal views and values.

Diversity can have a positive impact on innovation and growth. Harvard Business Review found that firms with diversity were 45% more likely than those lacking it to increase annual market share<sup>4</sup>.

More than a third of our overall respondents (35%) do not currently feel a strong sense of belonging at work. This insight should instigate a review of how they are engaged, recognised, and made to feel a part of the company.

4. [https://www.raconteur.net/hr/generation-exiled-the-business-risks-of-discarding-young-workers/?utm\\_source=ActiveCampaign&utm\\_medium=email&utm\\_content=Generation+exiled%3A+the+business+risksof+discarding+young+workers&utm\\_campaign=Daily-newsletter-mon-may10-6am](https://www.raconteur.net/hr/generation-exiled-the-business-risks-of-discarding-young-workers/?utm_source=ActiveCampaign&utm_medium=email&utm_content=Generation+exiled%3A+the+business+risksof+discarding+young+workers&utm_campaign=Daily-newsletter-mon-may10-6am)

## 5: PACIFY YOUR PRESENTEES



As we've seen, presenteeism is a clear problem among a sizeable proportion of employees. This speaks to a wider issue of trust between organisations and their workforce.

Work-life balance is a crucial element of building trust. Organisations must focus on this to attract and retain employees. Knowing whether your employees are satisfied with their current balance should be your first step.

Introduce questions about this into your pulse surveys and encourage managers to discuss the issue in one-to-one meetings.

Managers who previously relied on time-based systems on-site should be given guidance and training on results-oriented management, focusing on outcome rather than input.



## **ACHIEVERS - CHANGE THE WAY THE WORLD WORKS**

Great culture is the ultimate driver of organisational success. Achievers' employee voice and recognition solutions bring your organisation's values and strategy to life by activating workforce participation and accelerating a culture of performance.

Achievers leverages the science behind behaviour change, so your people and your organisation can experience sustainable, data-driven business results anywhere in the world.

Integrated insights fuel smarter solutions that deliver just-in-time nudges to the entire organisation, with an industry-leading customer success and support team guiding you on every step of the journey.

## **METHODOLOGY / ABOUT THE REPORT**

The Achievers survey was conducted by independent research company Censuswide, polling 2,005 employees in the UK and Germany between 23.04.2021 and 27.04.2021. Censuswide abides by and employs members of the Market Research Society, which is based on the ESOMAR principles.





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