

## RESCUE EMPLOYEE MORALE AND PRODUCTIVITY WITH STRATEGIC RECOGNITION

*Frequent Thank Yous and Small Rewards Can Lift Employees Out of  
Recessionary Ruts and Alleviate Layoff Survivor Syndrome*

**Southborough, MA and Dublin, Ireland – January 21, 2009** – Companies today are faced with the pressing challenge of finding new, cost-effective ways to motivate a workforce that is becoming increasingly fearful, distracted and, most importantly, unproductive. ‘Psychological recession’ and ‘layoff survivor syndrome’ are a few of the new buzz words that have entered the vernacular, which describe the state of many employees who have had to say goodbye to co-workers, bonuses, pay raises and benefits – all while taking on more work.

The impact of these dynamics on morale and productivity can be substantial. As reported in a recent article on MSNBC.com, “A flurry of research after the economic downturn of the 1990s found that layoff survivors reported high levels of distrust and lower levels of motivation and engagement. Absenteeism went up, productivity went down.”

A December 2008 study by Leadership IQ as reported in *Workforce Management* magazine said the following: “Corporations are mistaken to think that employees who survive layoffs will work harder out of gratitude. In fact, by their own admission, employees say their companies should expect less from them going forward. Moreover, nearly 75 percent of employees who held on to their jobs amid downsizing acknowledge that their individual productivity is declining, while nearly seven in 10 say their company’s product or service lines are in decline since the layoffs.”

While these facts may seem daunting, there are steps companies can take to lift employees out of this recessionary rut, and the results can have an immediate impact on corporate productivity and morale. A 2007-2008 global workforce study conducted by Towers Perrin showed that companies with high employee engagement show a 19.2 percent increase in operating income while low-engagement companies show a drop of 32.7 percent. With a potential differential operating income on the line, engaging employees is essential for success, particularly when a company is struggling for margins during an ailing economy.

According to recognition strategist Globoforce, strategic recognition is precisely the rescue package HR managers need right now to re-engage disenchanted and disconnected employees, galvanize them around key goals, and put the company on track to greater productivity. “Now more than ever employees are in dire need of a boost to lift their spirits and re-focus them on their jobs,” said Derek Irvine, Vice President of Global Strategy, Globoforce. “A simple thank you or a small reward can do wonders to elevate mood, ignite morale and engage employees. When these rewards are tied to company values and goals, it reinforces those important messages and infuses them back into the workforce. Companies that figure this out will not only experience the benefits in the near term, but will be in a strong position when the market turns.”

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Irvine notes that companies can re-align and consolidate existing rewards budgets to accomplish this critical task and most often do it at a significant savings. “Most companies are already investing significantly in an incentive or recognition program, but the majority of the programs are disparate and unfocused and do not deliver the full return on investment possible with strategic recognition. Simply by consolidating these disparate programs into one, companies can realize significant savings on their current investment and achieve tremendous ROI from those dollars. At Globoforce, we have helped numerous clients save more than 50 percent of existing program costs through this approach.”

In its newly released executive research brief entitled ‘Rescue Employee Productivity from Recession Fears with Strategic Recognition,’ Globoforce advises that companies employ the following to put recognition to work within their organization:

- \***Overcome Psychological Impacts with Sincere Appreciation** – A little praise goes a long way in elevating employee morale and alleviating fears caused by today’s economic crisis. Frequent thank yous and small rewards are a cost-effective way to reward employees and build a culture of appreciation.
- \***Make Work Meaningful to Engage Employees** – Tie awards to goals that are particularly critical to the company in this challenging economy and show employees how their behavior is deserving of recognition. This reinforces the repetition of precisely those actions the company needs now from all employees.
- \***Consolidate Existing Recognition Initiatives to Realize Cost Efficiencies** – Take the buried and distributed budgets of multiple legacy programs and consolidate them into a single, efficient and results-focused global program. This approach, when tracked and measured, can save companies more than 50 percent of their investment in recognition and deliver real returns.
- \***Measure to Show Investment Value** – Start your recognition effort off right by setting clear objectives and defining success metrics upfront. Measure the program against these parameters to show management patterns in productivity relative to the actions recognized and the frequency of recognition in addition to program ROI.
- \***Gain Competitive Advantage** – The experts all agree: Companies that retain their top talent during this recession position themselves for better performance now and greater success when the upturn comes. Make it a goal to become a ‘good morale’ company and you’ll differentiate your company from the competition.

To request a copy of the ‘Rescue Employee Productivity from Recession Fears with Strategic Recognition’ executive research brief, [click here](#) or contact Tim Rossi.

### About Globoforce

Founded in 1999 and co-headquartered in Southborough, Massachusetts and Dublin, Ireland, Globoforce is the world’s leading provider of global strategic employee recognition solutions for Global 2000 companies. Named a 2008 Inc. 500 company, Globoforce delivers an innovative, easy-to-use, on-demand software solution that engages employees across the globe, transforming the way enterprises motivate their workforce. Globoforce’s blue-chip customer base, which includes Avnet, Biogen Idec, Dow Chemical, Global Crossing, Fairmont Hotels & Resorts, Intel, Intuit, Nortel, Procter & Gamble and Thomson Reuters, reflects the importance of recognizing and engaging the workforce in the 21st century. For more information, visit <http://www.globoforce.com> or visit the Company’s blog at <http://globoforce.blogspot.com/>.

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