



2016 SPECIAL REPORT

EMPLOYEE ENGAGEMENT & Company Culture

The ERA of Personal & Peer
Accountability

THE ERA OF PERSONAL & PEER ACCOUNTABILITY

FINDINGS FROM OVER 400,000 EMPLOYEE RESPONSES FROM AROUND THE GLOBE

COLLEAGUES

ARE THE **#1** THING EMPLOYEES
LOVE ABOUT THEIR JOB



WORK CULTURE

IS ONE OF THE TOP CORRELATED
FACTORS TO **EMPLOYEE HAPPINESS**



NEARLY **1 IN 4**
EMPLOYEES WOULD QUIT FOR A
10% RAISE ELSEWHERE



NEARLY **70%**
OF ALL EMPLOYEES DO NOT FEEL THEY'RE
COMPLETELY **FULFILLING THEIR JOB ROLE**



NOT EVEN **1 IN 3**
EMPLOYEES FEEL STRONGLY
VALUED ON THE JOB



COWORKERS' LACK OF FOLLOW THROUGH

IS THE **#1** ON-THE-JOB PRODUCTIVITY KILLER



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INTRODUCTION

Did you know that a [recent study](#) found that 78% of today's business leaders rate engagement and retention as one of their top concerns? With so many leaders across the globe invested in this topic, we had to dig in and see what was driving (dis)engagement.

And dig we did. With access to survey responses from employees at over 500 organizations worldwide, TINYpulse was uniquely poised to review what factors are driving engagement and which issues really bring employees down. The results were remarkable. After reviewing over 400,000 anonymous responses, we found that the value of peers and culture continues to reign supreme, while lack of professional growth opportunities and on-the-job appreciation continue to be engagement killers. In all, we found seven major trends impacting workplaces around the world:

- * **Never Underestimate Culture:** Culture drives happiness. Some of the strongest factors correlated to employee happiness include work environment and organizational culture.
- * **Peers & Colleagues Rule:** The #1 thing that employees love about their workplace is their peers and colleagues.

- * **Attrition Is Around the Corner:** Believe it or not, nearly one in four employees would leave their workplace if offered a 10% raise elsewhere.
- * **Professional Growth Is Lacking:** A mere 25% of employees note strong opportunities for professional growth — troubling news for millennial-rich workplaces with employees that crave these opportunities.
- * **No One Feels Valued or Appreciated:** Not even one in three employees feels strongly valued thanks to managers failing to show appreciation or, worse yet, constantly pointing out faults.
- * **Employees Don't Feel They're Meeting Their Potential:** Over 70% of all employees don't see themselves meeting their full potential. Some cite their own future growth, but nearly a quarter cite running around putting out fires instead of being truly focused.
- * **Lack of Colleague Follow-Through Kills Productivity:** 35% of all employees cite lack of follow-through and communication from colleagues as the top things that destroy productivity at work.





NEVER UNDERESTIMATE CULTURE

It's so easy to brush aside intangible things like culture. After all, they often aren't measured, and managers are rarely judged by their ability to create a good culture. And yet culture matters. A lot!

When we looked at the factors with the highest positive impact on employee happiness, factors like work environment, organizational culture, and team-building efforts all made the cut.

How Cultural Factors Affect Employee Happiness	
Engagement Factor	Correlation to Happiness
Work Environment	.62
Organization's Culture	.60
Team Building Efforts	.51

p < .001 for all variables

No, we're not saying compensation and benefits don't matter. They do. But these stats show that interpersonal and environmental factors play a huge role in affecting employee happiness and engagement.

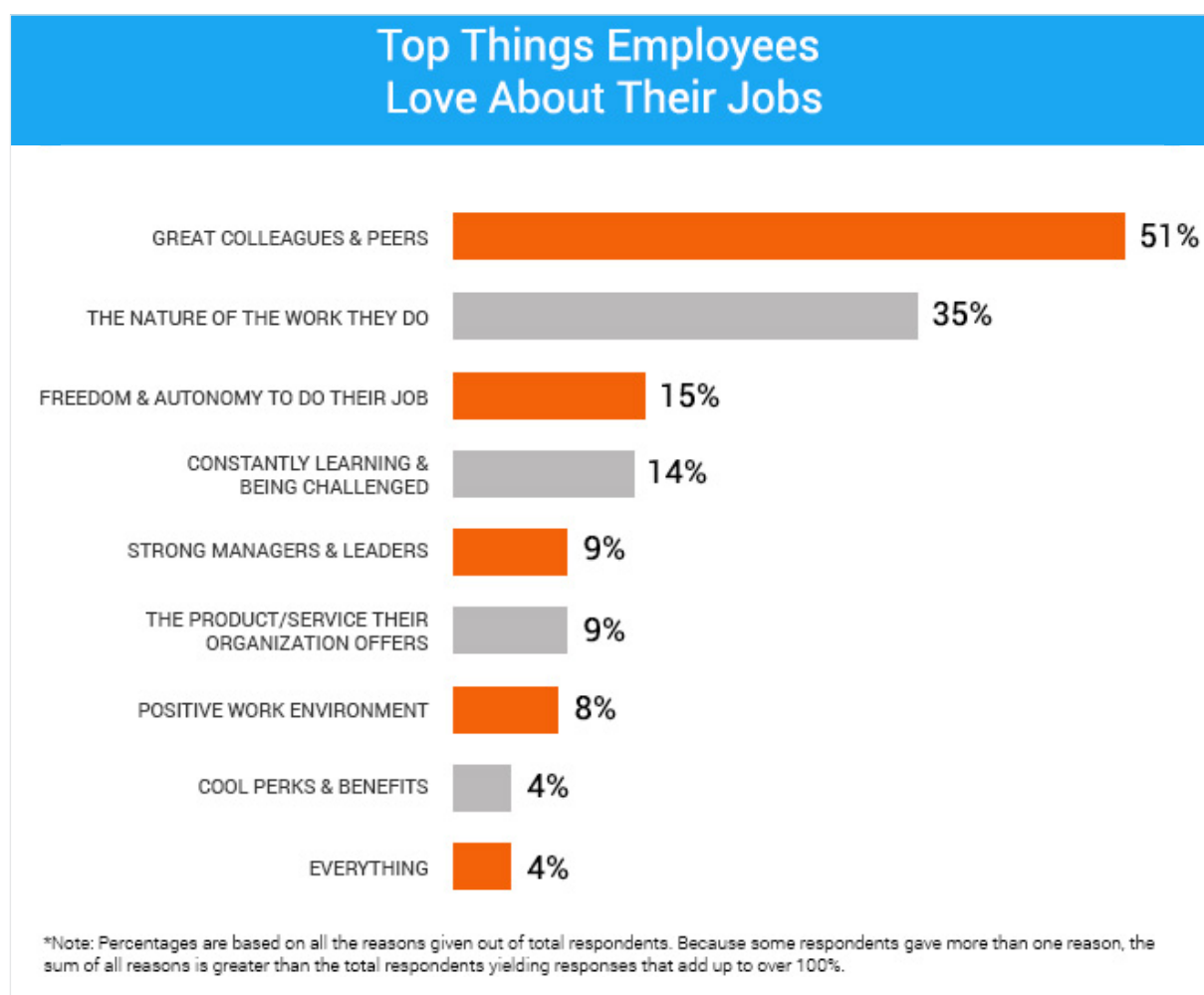
Don't be shortsighted. An investment in culture is an investment in engagement.



PEERS AND COLLEAGUES RULE

Think money is the #1 thing employees love about their jobs? Think again!

When we asked respondents to list all of the things they love about their job, one out of every two pointed to their peers and colleagues as motivators that drive them to stay engaged and keep on learning. This didn't come as much of a surprise given our [2014 Engagement Report](#), which found that peers are the top factor that drives employees to go the extra mile.



Coming in at #2 was the nature of the work itself, with 35% of all respondents pointing this out as something that really gets them going and makes them feel worthwhile.

Just check out what employees say for themselves:

I absolutely love working with my coworkers. I feel like I am constantly growing and learning in this job and my coworkers are a big part of the knowledge share.

I love being a part of a group with a crazy amount of passion for this company; it's all encompassing and contagious, and very glad to be a part of it.

I enjoy the diversification of my daily work and the genuine feeling that I am contributing to the company as a whole.

I love the part of my job when I get to do what I was hired to do.

If you've been hiring people just to fill empty seats, it's time to stop. Hiring dull, uninterested people is just going to bring your employees down. Finding colleagues that push each other and keep them going is one of the the best things you can do to drive motivation and engagement.



EMPLOYEES ARE NOT MEETING THEIR FULL POTENTIAL

You spend time hiring, onboarding, and training great team members. But would you believe that the majority don't feel like they're fulfilling their job role? That's exactly what we found.

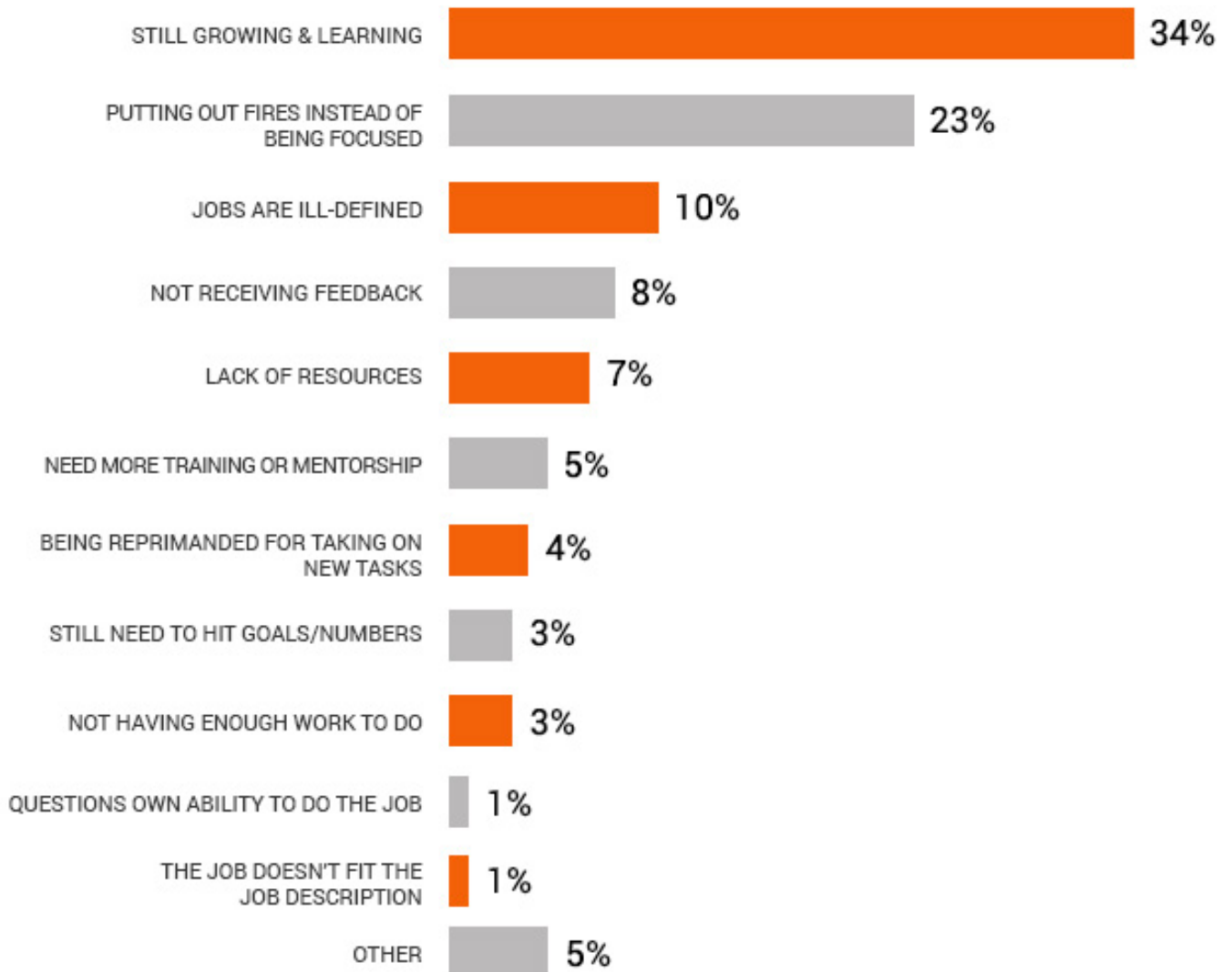
When we asked employees to rate on a scale of 1 to 10 how well they were fulfilling their role, over 70% did not feel they were strongly fulfilling their role.



What could be behind this alarming number? Turns out the #1 factor is employees seeing even more potential in themselves. Amongst those noting that they could bring more to their workplace, 34% of all responses noted that they were still growing and learning, and felt they could bring more to the table in the future.

Yet the next highest factor is concerning. 23% of responses zeroed in on having to scramble or put out figurative fires at work, taking employees away from being thoughtful and strategic in their approach to work.

Why Employees Don't Feel They're Fulfilling Their Job Role



*Note: Percentages are based on all the reasons given out of total respondents. Because some respondents gave more than one reason, the sum of all reasons is greater than the total respondents yielding responses that add up to over 100%.

We all know that unexpected issues pop up and need to be tended to. However, it looks like for most employees out there, this is more of a norm than it should be. Supervisors be warned: making employees hop from project to project is destroying their focus and not letting them meet their full job potential.

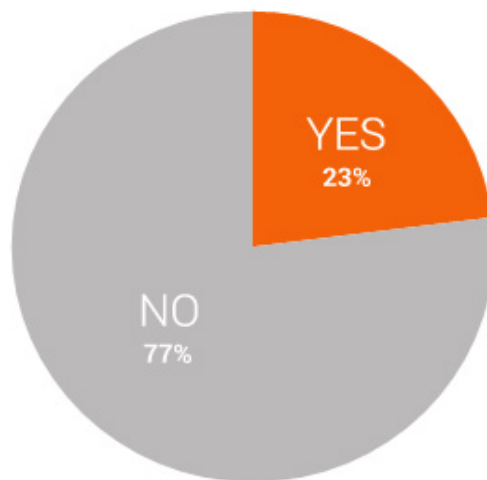


BE CAREFUL, ATTRITION COULD BE AROUND THE CORNER


One of our favorite questions to ask is “How likely would you be to leave for a 10% raise?” After all, if employees are truly satisfied on the job, even a nice raise shouldn’t be enough to tempt them to join the devil they don’t know.


Turns out, almost a quarter of all employees are willing to leave for a 10% raise. That means one out of every four team members you have would leave if your competitor gave them a better offer.


Percent of Employees Willing to Leave for a 10% Raise




What's driving this high willingness to leave? There are several factors, but the major ones that popped out are:

 **Life circumstances** "Due to my current financial situation, I would have to seriously consider it. I struggle living paycheck to paycheck even with overtime pay. Honestly, I don't see the possibility of getting a 10% raise with this company."

 **Lack of appreciation** "I would leave not just for the raise but for just positive feedback from supervisors. It seems that some supervisors feel that they need to point out everything wrong but do not balance it with what you accomplish. So all the hard work seems for naught."

 **Lack of professional growth** "I personally find the ceiling low and the path of where it's going and how to get to that next level is and has been unclear. For the right opportunity with matching or close enough benefits, I would have to do what I felt was in my best interest."

 **Lack of competitive salaries** "Based on what I've heard from employees at competitors/other companies in the space, they are making significantly more with additional perks. It's hard not to listen to those types of comments."

We know it's impossible to change an employee's personal life, and sometimes it can be tough to match competitor wages. But appreciation and professional opportunities? Those are free to offer around, and companies are foolish to hold back and lose valuable employees.



PROFESSIONAL GROWTH IS LACKING

Remember how employees mentioned professional growth being a reason they would leave their organization? Well, that becomes a really big issue when you factor in that only 25% of employees feel they have high levels of professional growth opportunities.



What’s remarkable is the cause of this sentiment. When we broke down why 75% of all employees see lackluster opportunities (or no opportunities), we found three main culprits:

- Top 3 Reasons Employees Don’t Have Professional Growth Opportunities**
1. Feel too siloed and/or not given new projects
 2. No open discussion of career opportunities
 3. Have background/skills not being used

These are sad findings. Employees want to feel challenged and try new things, but they aren't getting the chance to take on new projects and show what they can do. That, coupled with no one internally having conversations about growth and full potential, is stifling employees. When you consider that 75% of younger employees say lack of growth would lead them to look for a new job, you know these findings are troublesome.



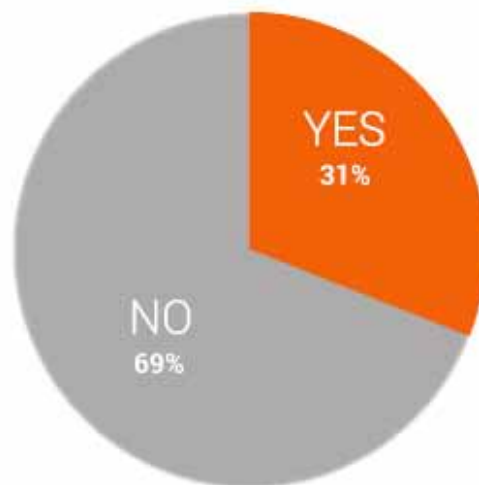


NO ONE FEELS VALUED OR APPRECIATED

Look around your workplace. Find three of your colleagues. Two of them do not feel valued or appreciated.

That's right. When we asked employees if they felt valued for the work they do, only 31% strongly agreed that they did.

Percent of Employees That
Feel Strongly Valued



But the candid responses they gave to help explain why they felt undervalued were even more damning:

“*Never hearing the words...Thank You! But daily hearing what we failed to do and never recognized by what you have done.*”

The managers and supervisors go above and beyond to let me and the other employees know what we are doing wrong also giving us disciplinary actions instead of thanking us for the [work we get done]. Sometimes I feel like I'm working in a sweatshop and I'm being used.

No real support, guidance or leadership. We are left to fend for ourselves. If we were valued I think we would have a lot more time vested in helping us learn more and grow in our departments.

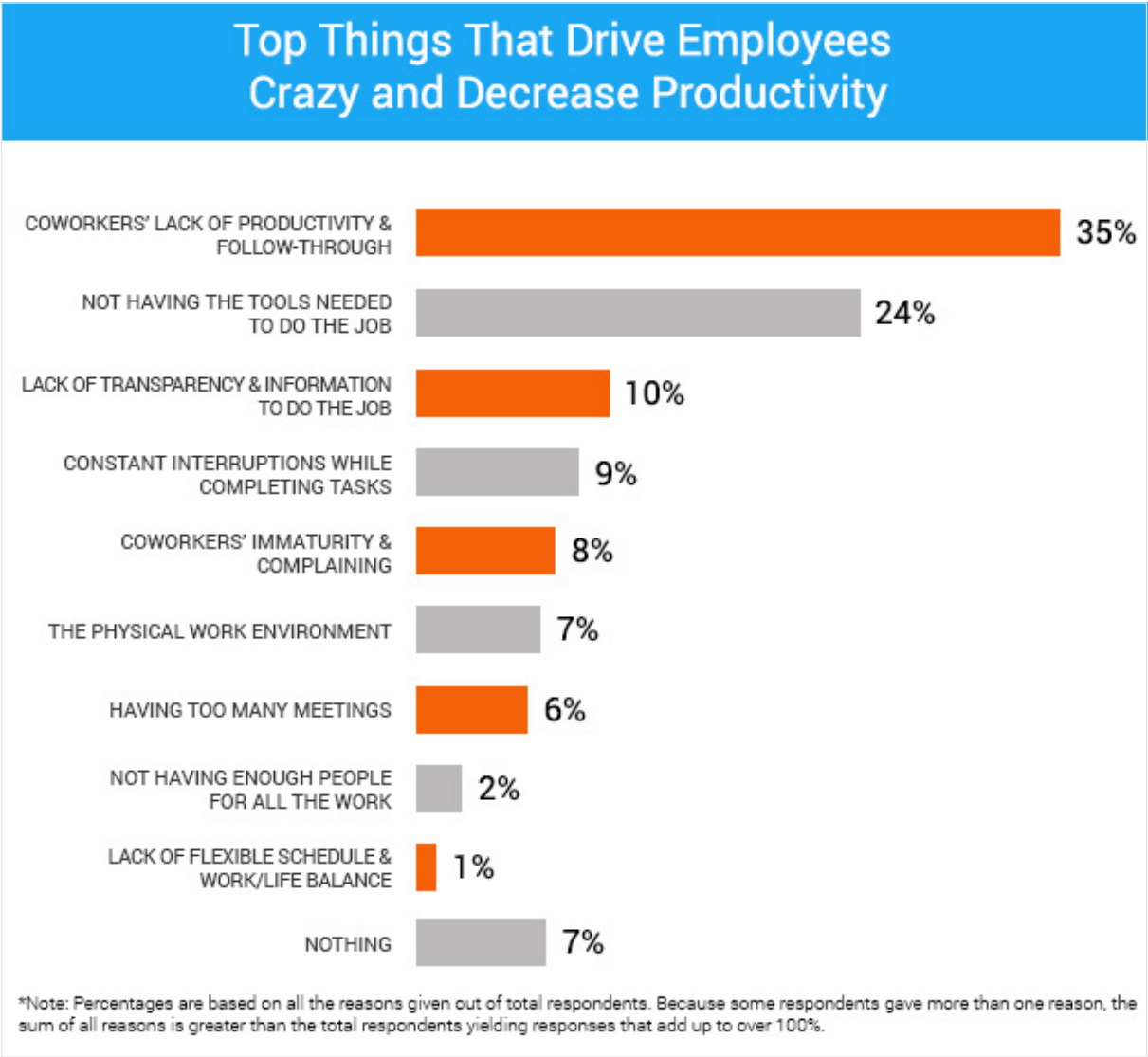


Sometimes a simple “thank you” can go a long way to making an employee truly feel valued. Alas, it looks like many managers and leaders out there are forgetting the Golden Rule.



TEAM MEMBERS' LACK OF FOLLOW-THROUGH & COMMUNICATION KILLS PRODUCTIVITY

In this dog-eat-dog world, we're all fighting to work hard, drive innovation, and be more productive than the next guy. Yet a whole lot of workers out there are fighting productivity killers. When we asked employees to cite the things that drive them crazy and kill productivity, more than one-third talked about lack of follow-through and communication from colleagues. The second-most talked-about issue was lacking the tools and resources to do the job well.



Let's hear directly from employees what exactly is destroying work productivity:

A lack of ability for people to take ownership and be accountable for their actions. Many people assume someone else will sort it.

Our laptops and network connections. It's very difficult to do an Excel analysis with your laptop crashing or taking too long to process.

When we get bits and pieces of information and have to keep asking for more information and NOT getting everything that is needed all at one time.

Perhaps this isn't too surprising. Just as peers are the #1 thing employees love about their jobs, they can also be the thing that really brings them down. Failing to hire consistently great people isn't just a temporary blip. It will actually impede your great performers from staying great performers.

CONCLUSION

How many of these factors are impacting your workplace? Do you even know? It's time to get ahead of issues that could be draining your employees. Don't be afraid to probe. Sure, you'll uncover things that need to be tackled. But isn't being proactive better than being blindsided by one of your best employees giving their two weeks' notice?

This data uncovers things you can start doing today to help boost engagement on a frugal budget:

- * Take time to measure how employees perceive workplace culture.
- * Focus on hiring talent that not only has the right skills but also the personality to keep your team energized.
- * Proactively poll employees to take stock of what's motivating them and what's bringing them down.
- * Invest in internal or external professional growth opportunities to keep your team's skill set booming.
- * Don't underestimate the value of recognizing team members for a job well done to try and boost appreciation levels.
- * Allow for greater focus (and less firefighting) on the job to let your employees meet their full on-the-job potential.

You want happy employees, right? You want engaged employees, right? And you want retained employees, right? If you answered "yes" to all of these, then it's time to get the ball rolling and make the organizational changes needed to build a world-class workplace.

Methodology

Over 400,000 TINYpulse responses from August 2014 to August 2015 were reviewed to conduct the study. Many responses were to the recurring happiness question, which were averaged together employee by employee. These happiness averages were used in Pearson correlations with the remaining 1-10 Likert scale questions to determine the strongest drivers of employee happiness. Percentages were also taken of those that responded with 9 or 10 to these Likert questions. Additionally, four open-ended TINYpulse questions were thematized based on their responses. These thematized responses were used as further support for the quantitative data.

We'd like to thank all who contributed to this piece, particularly:

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2016 EMPLOYEE ENGAGEMENT PREDICTIONS

by Dora Wang, Managing Editor, TINYpulse Institute

2015 has been an exciting year for employee engagement, as more and more companies are getting on board and developing best practices for getting the most out of their workforce. However, engagement remains a tricky issue, and one that can't be solved within one year. We look forward to 2016 as a year of continued development and innovation.

Check out our list of 16 predictions for employee engagement in 2016:

1. Engagement will remain a #1 concern

In 2015, [Bersin by Deloitte](#) found that 87% of organizations consider culture and engagement as one of their top challenges. Moreover, 50% call the problem "very important." This isn't a one-time solution kind of problem, so expect this trend to carry on throughout 2016. It will continue to top companies' lists of priorities since employee engagement is the core of so many vital components of workplace success.

2. The major theme will be personal accountability

The findings of our 2015 Employee Engagement report show that employees are owning their personal accountability in their

workplace experience. Fulfilling their potential looms large in their minds. Companies will find more success in engagement strategies that involve employee initiative and make them an active part of the process.

3. Professional development opportunities will be a deciding factor in turnover rates

With personal accountability looming large in employees' minds, professional development will be a major concern. Organizations understand this need: [Bersin by Deloitte's report](#) found that learning and development issues jumped up the list of talent challenges. Opportunities for growth will be vital — and the lack of them will pop up frequently in exit interviews.

4. Onboarding will need to evolve

We here at TINYpulse have long argued that onboarding should move beyond the old standby of a stack of paperwork and passively watching presentations — it has to lay out a plan and engage new hires. The importance of professional development only cements this need. Onboarding will need to become a more active, future-oriented process that allows employees to hit the ground running with a plan for their growth within the company. Without it, employees will flounder.

5. Coworkers will play a vital role

Another major theme in our 2015 Employee Engagement report

is the way that peers can make or break the workplace experience. This is in line with our findings from previous years:

- * In 2013, our data showed that the correlation of happiness with coworker rating was 23% higher than with direct supervisor rating
- * And in 2014, employees told us that peers are the number one reason they go the extra mile at work.

In other words, the importance of peers for workplace happiness has been consistently high and will get even higher. Hiring the right people will be instrumental in the success of your existing employees.

6. Watch for employees to manage “sideways”

It’s not just about managing upward anymore. As employees embrace their personal accountability, we’ll see an increase in managing “sideways” too, as they push their peers to be the teammates they need. A potential cause for friction, yes, but with proper guidance from management, this can be a great opportunity for employees to play an active role in keeping themselves engaged and productive.

7. Peer-to-peer recognition will grow

The percentage of employees giving peer recognition has

been growing over the past couple years, and in 2016 it will become a dominant form of employee appreciation. The trend has been in place for some time:

- * Our 2013 report showed that, when offered a simple tool to do so, 36% of all workers will provide peer recognition on an ongoing basis
- * Our 2014 report showed that, when offered a simple tool to do so, 44% of all workers will provide peer recognition on an ongoing basis

Support your employees in making one another feel valued. They're a rich resource for workforce appreciation that's just waiting to be tapped.

8. Watch out for a new hidden turnover risk

The job market recovery and declining unemployment rate will uncover a new attrition risk: the "middle of the pack" employees who are neither strongly engaged nor terribly disengaged. The low commitment level of these workers may not have been an issue when it was an employers' market and alternate options were scarce. As more opportunities open up, they'll easily drift away. To avoid scrambling for replacements, companies must get ahead of the trend and save those whose engagement can be saved — and let go of those who can't.

9. Minimum wage increases will be a win for companies

Higher required salaries might seem like a drain on company resources, but the investment will pay off. Relieved of financial stress — and possibly the additional stress caused by needing to work extra jobs in order to make ends meet — employees will become more engaged and productive.

10. Millennials will start dominating workplace culture

Since millennials became the largest generation in the workforce this past year, they will exert majority influence on company culture. This means that workplace values will shift to those prioritized by this generation, from collaboration to social responsibility and work-life integration.

11. The handoff from the old guard will be rocky

As the retirement of baby boomers accelerates, we'll see the transition to a workforce led by Gen X and millennials. Two out of the three jobs that will open up for college graduates will result from retirements, according to [Georgetown's Center for Education and the Workforce](#). A major con: the loss of institutional knowledge as the old guard makes their exit. A major pro: a workforce that's less tethered to "the way things are" will toss out practices that are based on outdated assumptions.

12. Younger employees filling the upper ranks will shift the definition of leadership

As baby boomers retire and younger employees fill supervisory roles, the nature of leadership will evolve. Look for management best practices to swing towards more collaborative and less hierarchical. With the workforce embracing personal accountability, this leadership style will have a great wealth of energy to tap into.

13. There will be a greater push for transparency

Millennials have grown up with information being instantly accessible, so with their voice in the workplace increasing, you'll hear them pushing more for management transparency. This will be a boon for young and old employees alike, since our data has shown that transparency from leadership has a high correlation with employee happiness.

14. More feedback processes will become two-way

With the workforce placing more and more importance on both collaboration from leadership and their own personal accountability, look for more feedback processes to become reciprocal. Performance reviews? Forget the one-way road; they'll become a loop.

15. More feedback processes will become pulsing

Collaboration and transparency can't happen without feedback.

And feedback that comes late is nothing short of useless. Successful organizations will be those who take the pulse of employee issues — monthly, weekly, even daily — instead of waiting to do it once a year. Faster information will mean faster reactions and better outcomes.

16. People analytics will present a temptation that leaders will have to avoid

With the growth of people analytics, it's easy to fall into the fallacy that management and engagement should be driven by data. But don't make the mistake of confusing data with information. Leaders must make the commitment to initiatives that may seem less objective and less efficient — such as 1-on-1 meetings and qualitative feedback — or risk ending up with one-dimensional results.





ABOUT TINYPULSE

Companies make an effort to consistently track revenue, financial returns, and productivity. But they're forgetting one of the most important aspects of their organization: their people. And that's where TINYpulse comes in.

OUR MISSION

Founded in 2012, TINYpulse works hard to make employees happy. Our goal is to give leaders a pulse on how engaged or frustrated their employees are, helping managers spark dialogue that results in organizational change.

WHAT WE DO

We believe that information empowers leaders to create an engaging work environment and culture where people can thrive. Here is how we do that:

- * **Pulsing survey:** Our weekly pulse survey measures employee engagement using just one question. TINYpulse is a lightweight solution that captures anonymous feedback from your team to reveal insights, trends, and opportunities so you can improve retention, culture, and results.
- * **Peer-to-peer recognition:** TINYpulse's Cheers for Peers™ peer-to-peer recognition tool captures the appreciation, extra effort, and little things that are often overlooked by leaders. Peers can easily send a quick shout-out to their colleagues to brighten up their day—because a little recognition goes a long way.
- * **Virtual suggestions:** Our virtual suggestion box lets employees have direct input on how to improve the workplace. The anonymous format makes employees feel comfortable being honest and offering actionable ideas to improve their workplace.