

THE VALUE OF VALUING PEOPLE



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Employee appreciation is indispensable, as this two-year research project by the University of Vienna shows. It's a necessity to attract and retain talent in today's competitive labor market. Employees who feel valued are more likely to remain engaged, motivated, and loyal to their organization. Executives and middle managers play a crucial role in creating an appreciative work environment. However, internal communication can amplify appreciation efforts and foster a workplace where everyone feels valued, supported, and empowered to thrive.



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EMPLOYEES DON'T FEEL SUFFICIENTLY APPRECIATED

In recent years, organizations have faced unprecedented challenges: a global health crisis paired with the remote working revolution, high turnover and a shortage of skilled labor. At the same time, employees perceive their working conditions and these rapid developments as increasingly demanding and stressful. To meet these challenges, it's crucial for managers to actively engage with their teams, showing genuine care and appreciation.

Fostering trust and a feeling of belonging, irrespective of physical location, help organizations to retain their talent and thrive in today's competitive labor market.

Despite the clear importance of fostering a climate of appreciation within organizations, the reality often

falls short. Over 40% of German employees surveyed for this study reported that they do not regularly receive appreciation from their managers or colleagues – an alarming finding.



»It's time to truly recognize and prioritize appreciation as a strategic goal.«

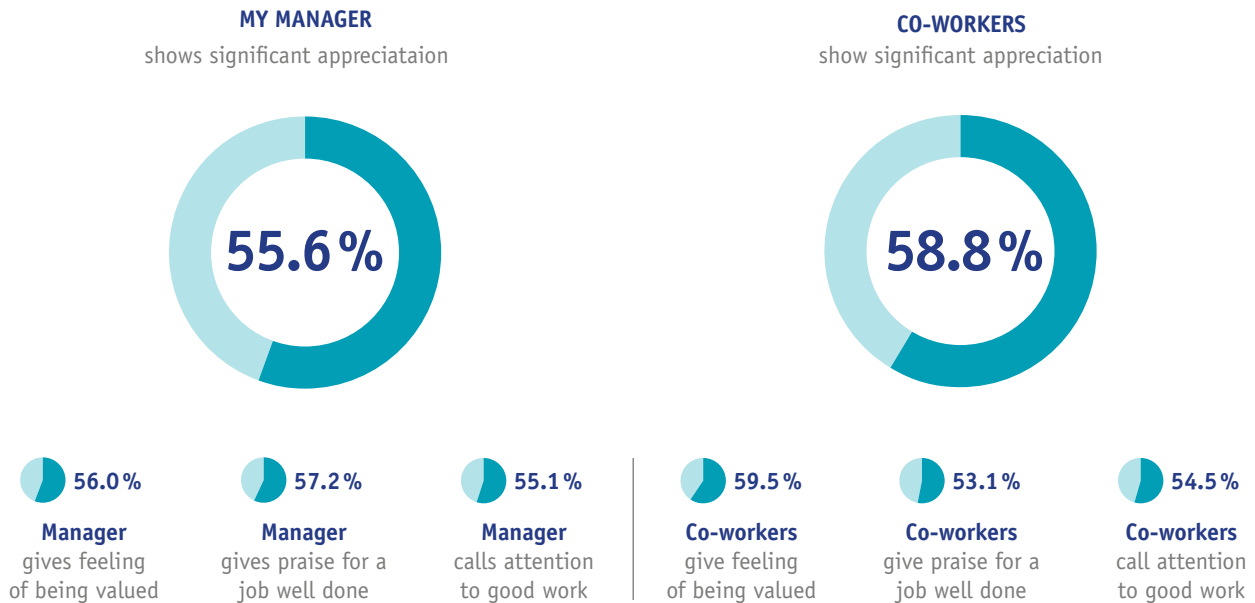
*Professor Sabine Einwiller,
University of Vienna*

Research design

This study set out to better understand employees' expectations, identify effective ways to express appreciation, analyze the impact of these expressions, and explore the roles of managers and internal communicators in fostering an appreciative work environment. To do so, a mixed-method approach was chosen:







- 1 A **systematic literature** review was conducted to compile knowledge from existing studies, including research from psychology, HR, management, sociology, and linguistics.
- 2 Three **focus groups** were conducted in January 2023 at the University of Vienna. In total, 19 participants from Austrian organizations with more than 250 employees who had no leadership responsibilities took part.
- 3 An **online survey** among 486 employees working for German organizations was carried out in December 2023 to test the effects of perceived appreciation on job satisfaction, organizational identification, and organizational citizenship behavior.

Level of appreciation at work as rated by employees




Managers and co-workers are equally important sources of appreciation. But what's alarming: Almost every second employee in this sample doesn't feel appreciated by either their managers or their co-workers. (N = 486. % values = scale points 6 and 7 on 7-point Likert scale).

Six distinct forms of employee appreciation

 MONETARY & MATERIAL RECOGNITION	 THANKS, PRAISE & ESTEEM	 GENERAL WORK ENVIRONMENT	 SEEING & TAKING SERIOUSLY	 PURPOSE & PERSPECTIVE	 HUMANITY
Salary	Praise for performance	Additional offers/ services	Interest in tasks	Meaningful tasks	Empathy, compassion
Bonus	Individualized thanks	Workplace equipment	Understanding of employees' situation	Development opportunities	Respectful interaction
Reward	Parties, excursions, events	Work arrangements	Listening	Participation opportunities	Trust
Gifts	Fostering the external image	Flexibility, free space	Taking time for employees		
		Space for exchange	Interest in person		
		Onboarding, integration	Feedback		
		Sanctioning of discrimination & bullying	Employee-oriented action		
			Transparency		

Forms of appreciation that contribute to an employee's overall perception of being appreciated at work.

EFFECTS OF APPRECIATION

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Positive effects: Research in various fields has shown that employee appreciation yields positive effects for both individuals and organizations.
 - ▶ On the individual level, appreciation improves employees' well-being at work, helping them cope with stress and health issues. It also fosters job satisfaction and job engagement.
 - ▶ On the organizational level, appreciation increases employee performance and promotes organizational loyalty. Studies found a clear link between appreciation, more substantial affective commitment, and reduced turnover intention.
 - ▶ Most importantly, feeling appreciated increases employees' inclination to appreciate others in the organization.

Positive outcomes of appreciation depend on its source



The survey confirmed the expected positive outcomes of appreciation. The impact varies however depending on the source of appreciation – either from their managers or their co-workers. (N = 351. $\chi^2(512) = 1010.852, p < .001, CFI = .921, TLI = .914, RMSEA = .063, 90\% CI [.057; .069], SRMR = .052$).

Adverse effects: Understanding the dynamics of appreciation in the workplace requires knowledge of potentially harmful unintended consequences. Various challenges and risks associated with appreciation were identified:

- ▶ Over-communicating appreciation might feel dishonest and might lead to feelings of annoyance.
- ▶ Withholding appreciation
- ▶ An unfair selection process (when recognition or rewards are distributed in a biased or inequitable manner, e.g., equal pay)
- ▶ Undeserved “thank you” for achievements that don’t warrant recognition (in the employee’s eyes).
- ▶ “One-shot” gestures rather than continuous appreciation.
- ▶ Incentivizing excessive job engagement might push employees beyond their boundaries.

▶ Leaving appreciation entirely up to co-workers themselves.

THE VITAL ROLE OF MANAGERS AND INTERNAL COMMUNICATION

Fostering an appreciative working climate requires collective effort on the part of various actors both inside and outside the organization. These include communication by and from the CEO, managers, co-workers, the unit responsible for internal communication, HR, and external parties, such as customers and the general public.

The primary responsibility, however, rests upon the direct managers because of their immediate interactions with employees.

Managers should be aware of their communicative impact and responsibilities in meeting employees’ expectations regarding appreciation. The challenge is to understand what employees want to be appreciated for to provide that appreciation when it’s needed.



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Internal communication can help to create an appreciative working climate in different ways:

- ▶ Internal communication professionals serve as **strategic partners** of management in the co-creation of fostering an appreciative working climate. Their work involves gathering stakeholder perspectives on the topic (what employees need, want, and desire), prioritizing employee concerns and needs, and providing adequate resources supporting appreciation efforts (e.g., forums, debates, workshops).
- ▶ Internal communication professionals act as **enablers** for all employees, with and without management roles, to become active senders and receivers of appreciation by providing corresponding training and education. To fulfill this role, a close alliance with their colleagues from HR is crucial.
- ▶ Internal communication professionals act as **role models**, exemplifying employee appreciation, setting the general tone in internal communication,

and living appreciation in their daily work. They can regularly communicate expectations and rules regarding appreciation in forums or documented in a code of conduct.

OUTLOOK: THE VALUE OF VALUING PEOPLE

This study shows that appreciation is a multi-faceted topic that needs to be addressed strategically in the organizational context to create value for employees and the organization as a whole. It requires efforts from all organizational members, from top management to direct managers to co-workers and internal communication professionals. They all have an essential role in fostering an appreciative working climate.

Appreciation should not be approached as a “one-shot” deal but rather an ongoing mission of highlighting the efforts and the value of employees. The goal is to create a working climate in which people want to be involved and stay for the long term – to work together on today’s societal challenges.

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RESEARCH PROJECT



Study Details: The research project “Employee Appreciation – The Value of Valuing People”, led by Dr. Christopher Ruppel and Dr. Julia Stranzl, was carried out from 2022 to 2024 by the University of Vienna. The project team comprised, aside from Dr. Christopher Ruppel and Dr. Julia Stranzl, Professor Sabine Einwiller, Dr. Jens Hagelstein, and Dr. Ingrid Wahl. The project was funded by the Academic Society for Management & Communication.



More Information: A detailed report has been published in “Communication Insights, Issue 21: Employee Appreciation.” Available online: www.akademische-gesellschaft.com/publikation/employee-appreciation/?lang=en



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