

Trends in Employee Recognition

WorldatWork, with underwriting support from Maritz Motivation, conducted research to identify new and continuing trends in employee recognition, including the recognition of events, behaviors or results that are observed and/or incentivized. For the purposes of this survey, “recognition” is defined as “a gesture to acknowledge, give thanks for or celebrate an event, behavior or result that was observed and/or incentivized.”

Executive Summary

- Recognition programs are still overwhelmingly common (and they're typically companywide).
- There is a slight shift away from both formal and informal programs to strictly formal programs.
- Length-of-service remains the most commonly utilized recognition program and programs that could lead to higher ROIs (error reduction, safety, waste minimization, etc.) remain relatively rare.
- Nearly all recognition programs measured have been in place for more than five years, meaning there is little movement in this space.
- Organizations tend to measure the success of their recognition programs by usage and employee satisfaction and don't often use external measures to determine success.
- While most respondents feel that their programs are doing a fairly good job of meeting their goals, there is room for improvement.

The use of recognition has remained relatively flat for the past 15 years, but the type of programs have evolved (as shown on later slides).



2002
(n=391)

2005
(n=614)

2008
(n=552)

2011
(n=549)

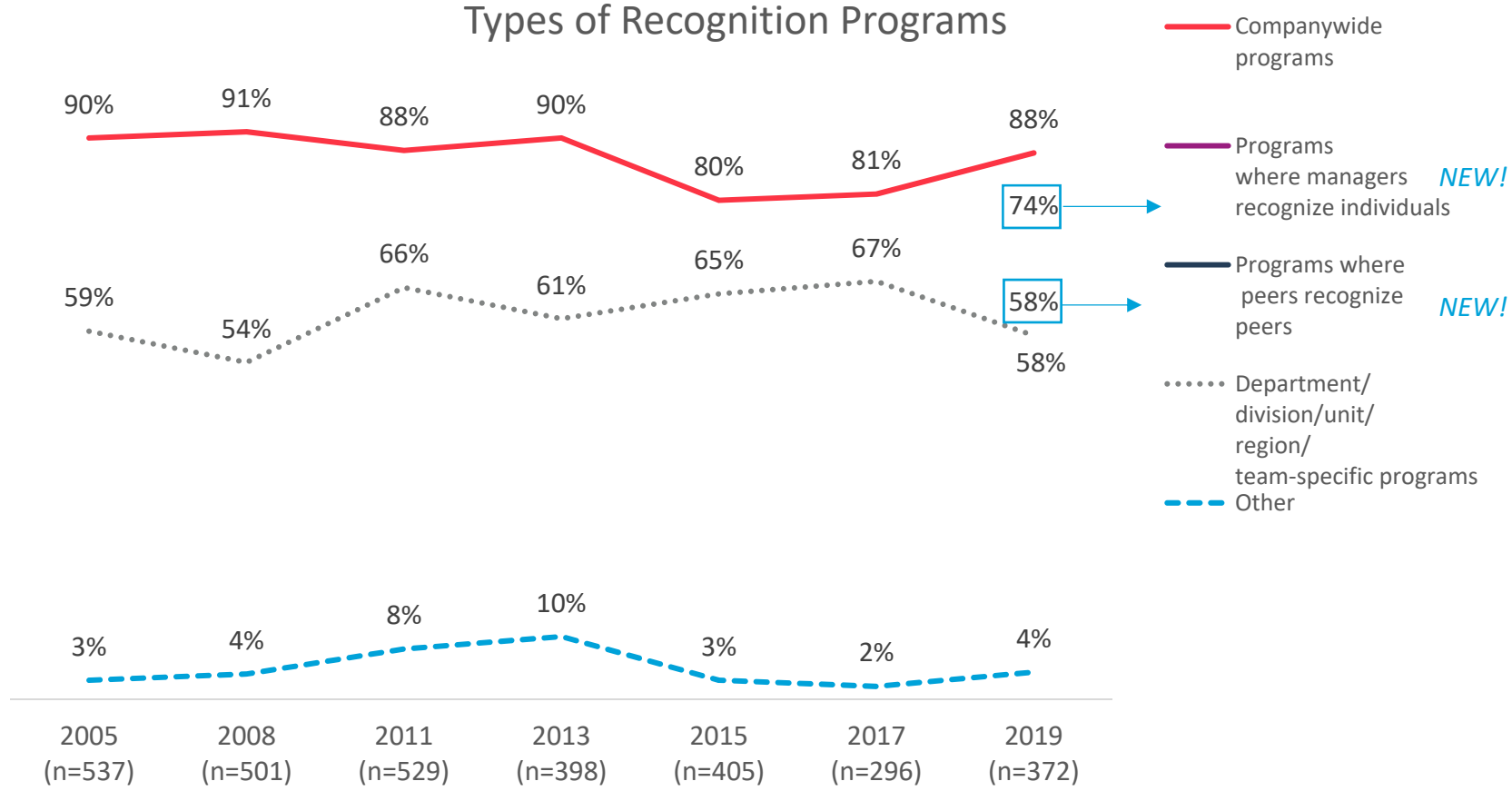
2013
(n=469)

2015
(n=456)

2017
(n=341)

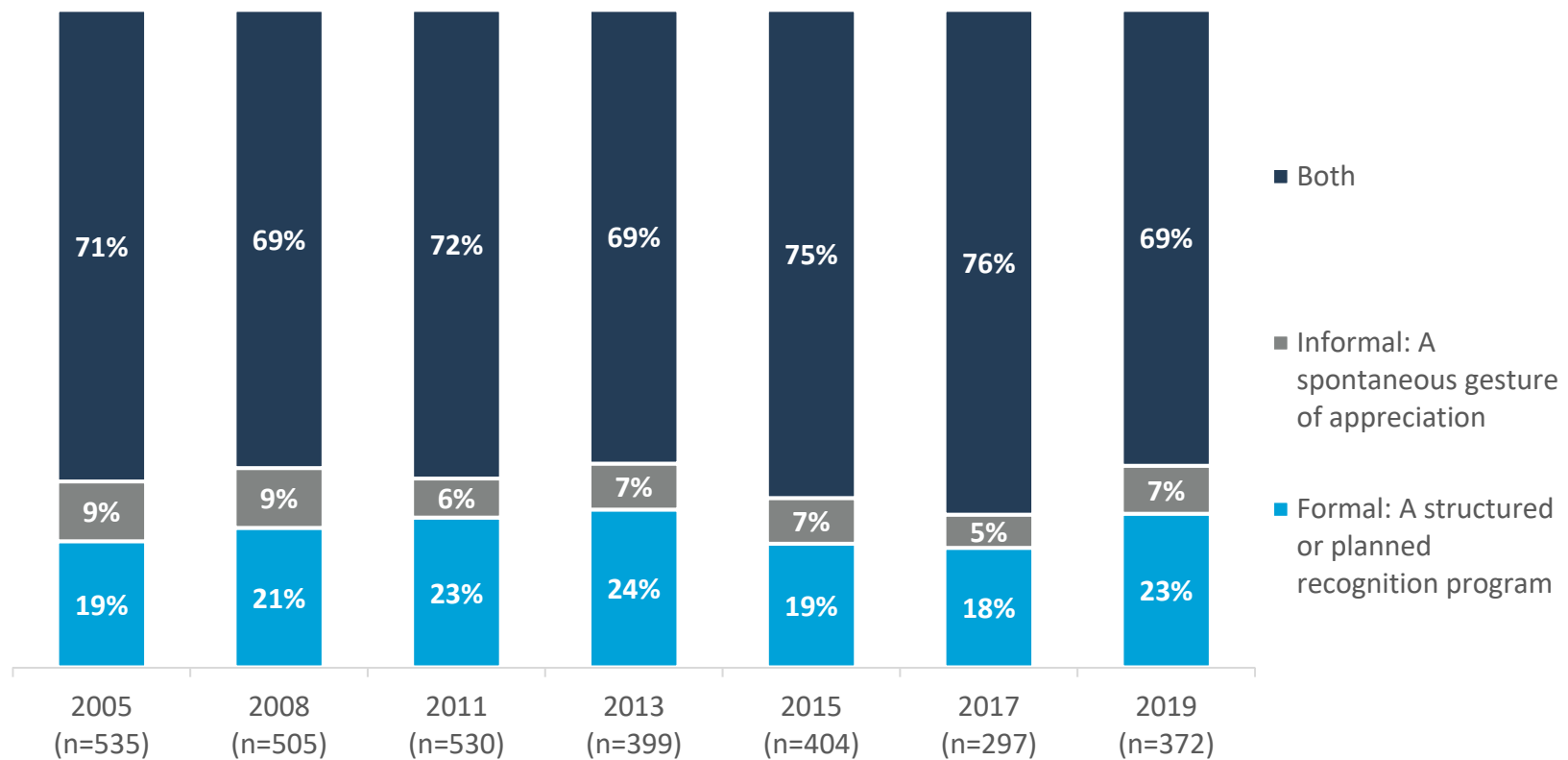
2019
(n=445)

Companywide and programs where managers recognize employees are most common.

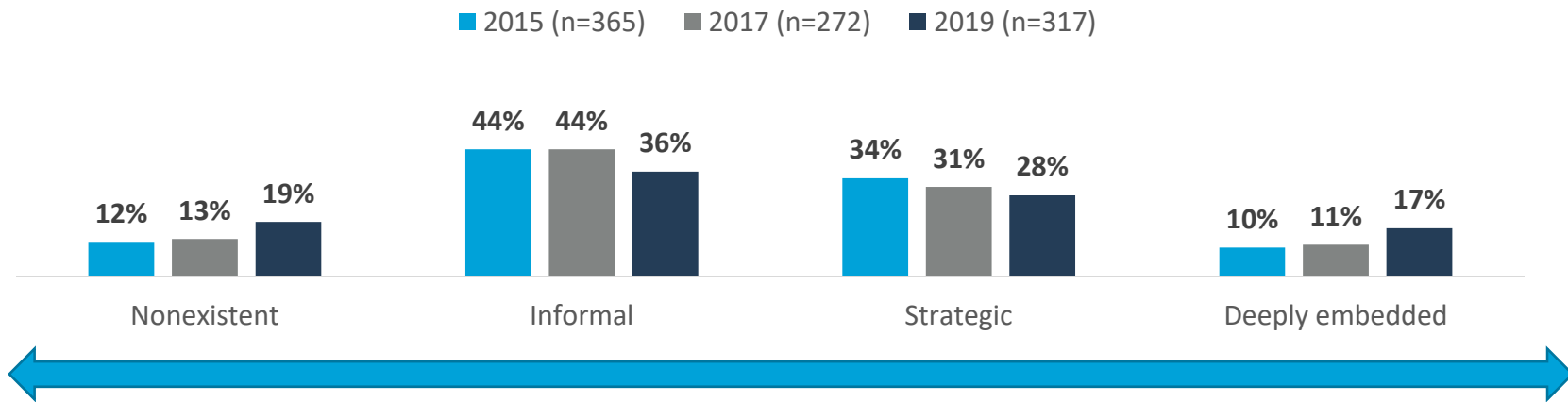


Most companies rely on a combination of formal and informal recognition to express appreciation, and formal programs are on the rise.

Style of Recognition Programs



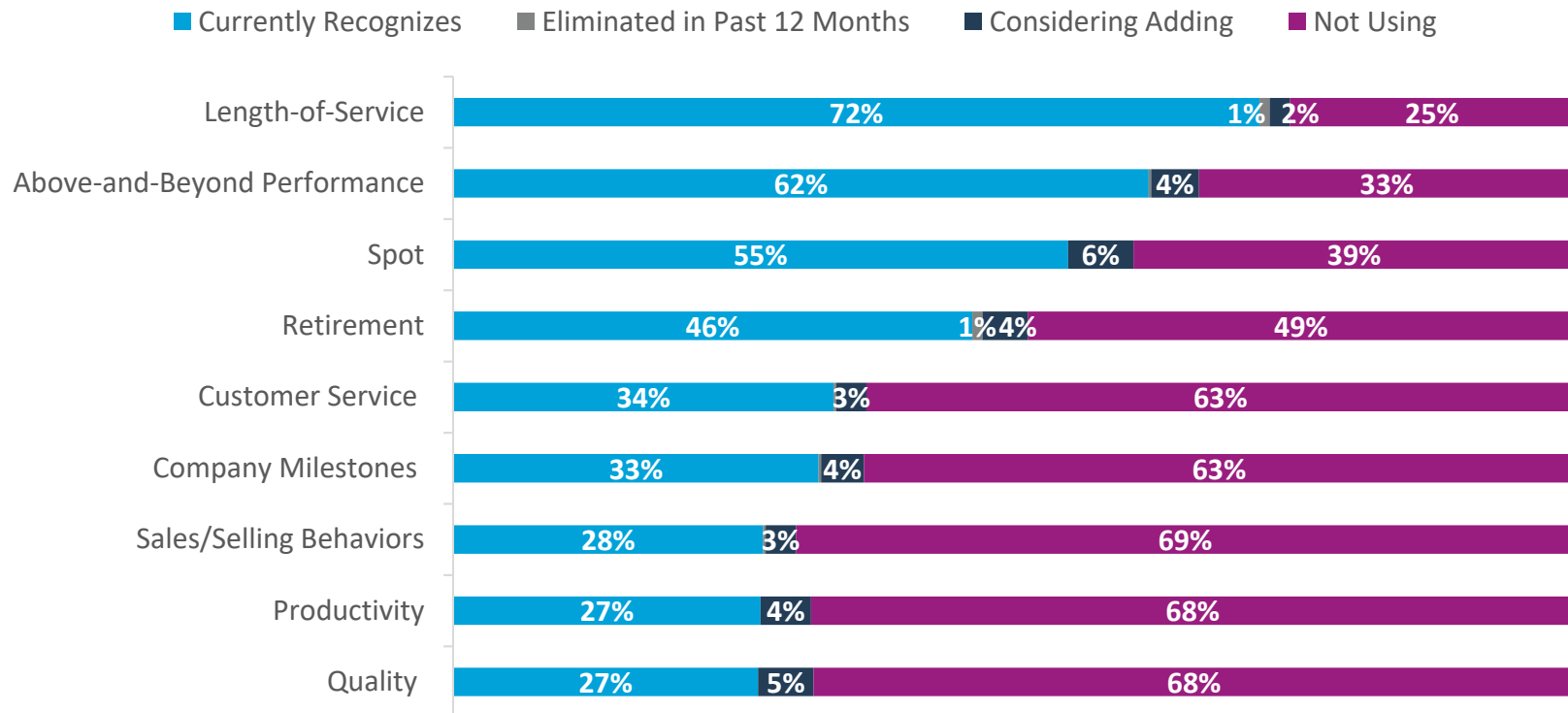
Most organizations have an informal relationship to recognition, although we are seeing an increase at both the deeply embedded and nonexistent ends of the spectrum.



<u>Nonexistent</u> <u>(0-1)</u>	<u>Informal</u> <u>(1.1-2)</u>	<u>Strategic</u> <u>(2.1-3)</u>	<u>Deeply embedded</u> <u>(3.1-4)</u>
<p>We have no employee recognition policy, strategy or philosophy.</p> <p>Employee recognition may take place on a case-by-case basis, but the structure is informal.</p>	<p>We have some written programs and policies, but they are not widely applied.</p> <p>Some managers use employee recognition to reward, engage and retain employees, but training and usage are inconsistent.</p>	<p>Employee recognition is strategic and viewed as an essential element in achieving organizational success.</p> <p>Training for managers may occur, and most managers use employee recognition to reward, engage and retain employees.</p>	<p>The importance of employee recognition is part of our organization's culture.</p> <p>Managers are trained on employee recognition, and there is universal and regular usage of programs and practices.</p>

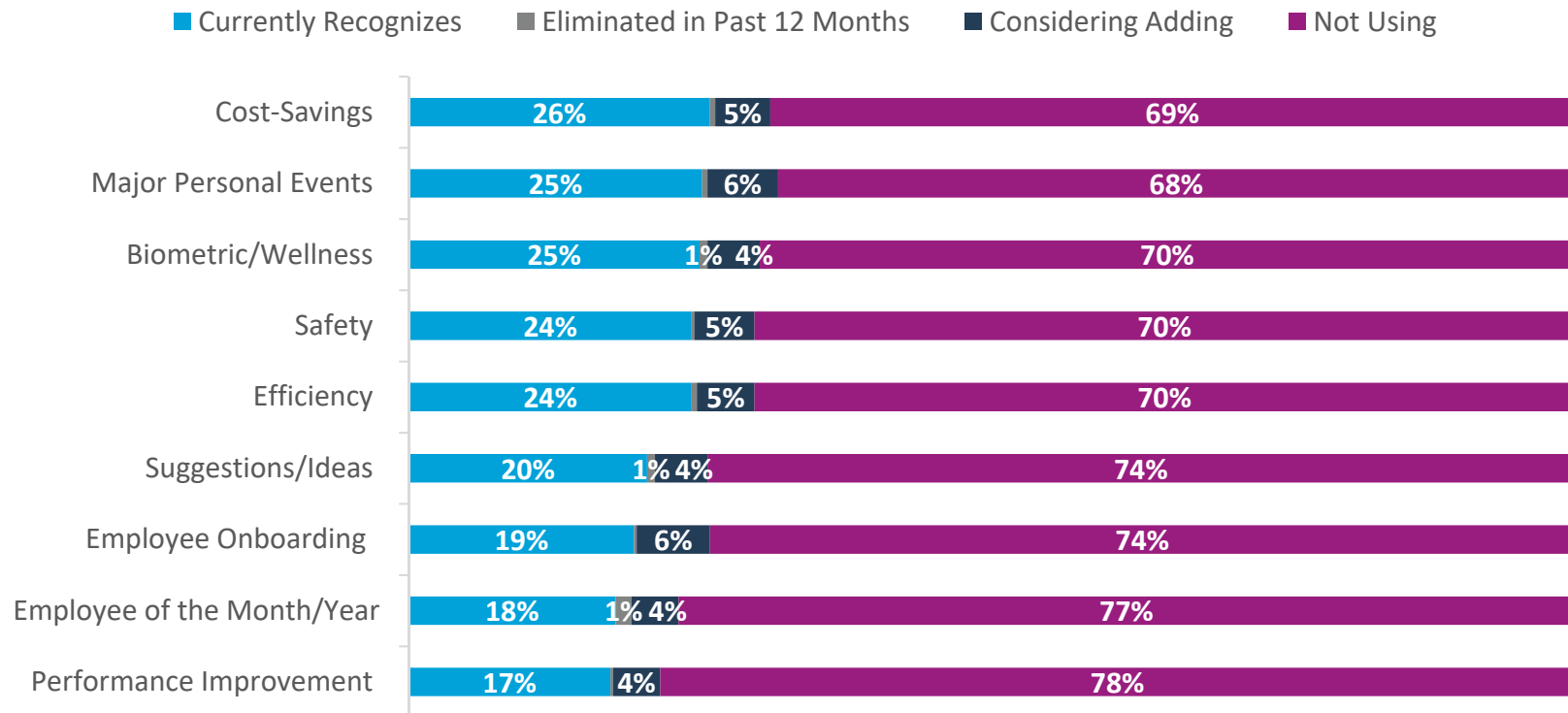
The average organization uses eight separate recognition programs (slide 1 of 3).

Recognition Programs in Place
(n=445)



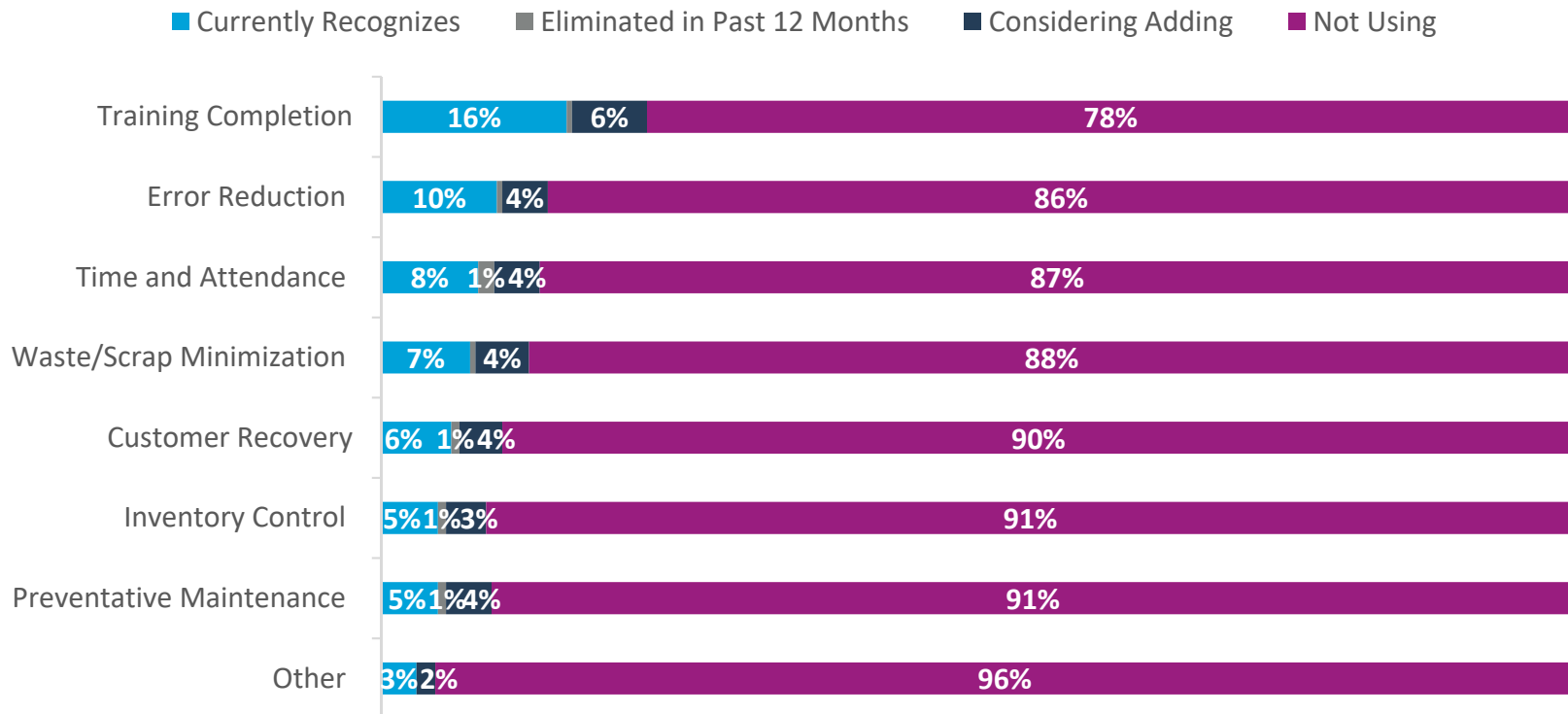
The average organization uses eight separate recognition programs (slide 2 of 3).

Recognition Programs in Place
(n=445)



The average organization uses eight separate recognition programs (slide 3 of 3).

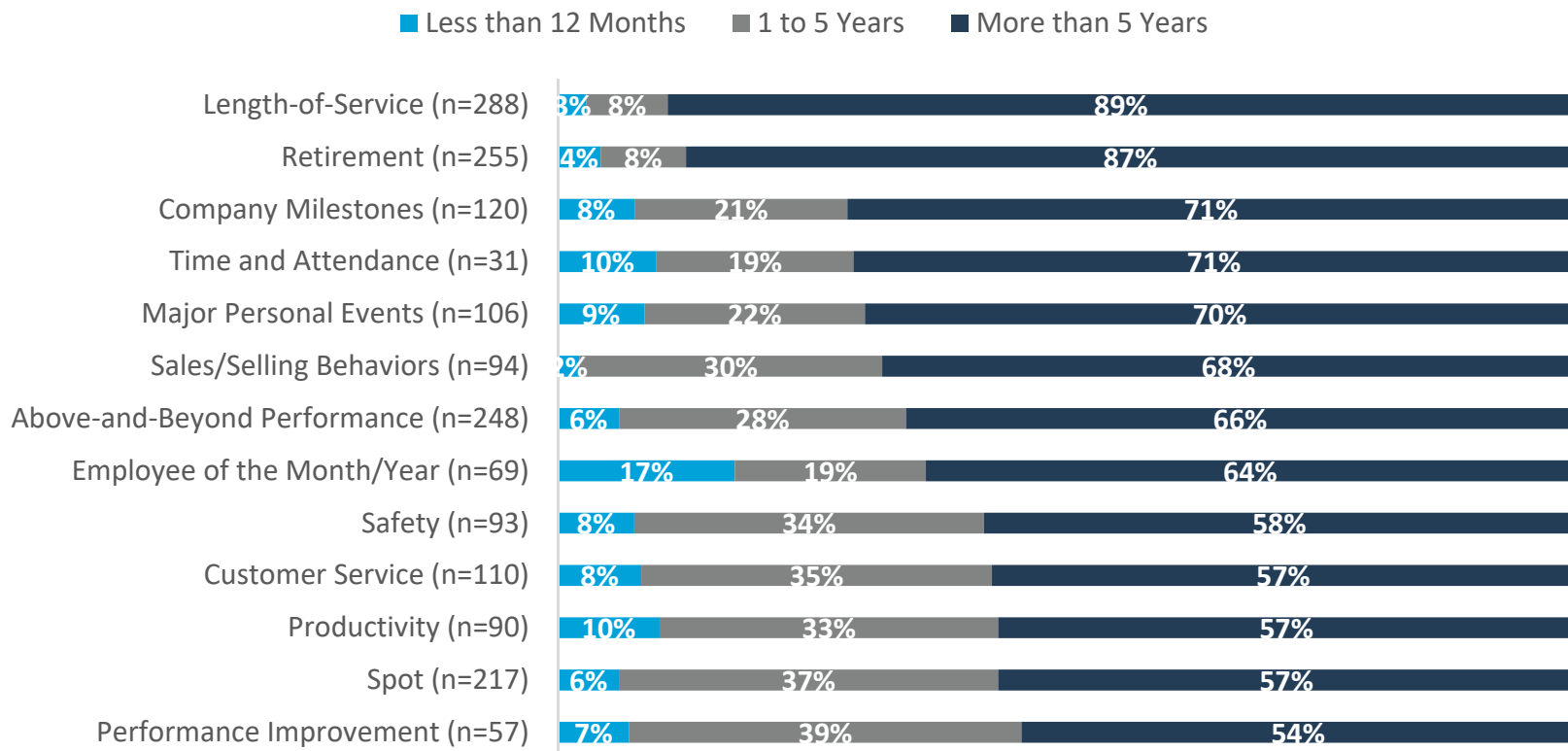
Recognition Programs in Place
(n=445)



Most recognition programs have been in place for several years, with length-of-service and retirement programs as the oldest stalwarts

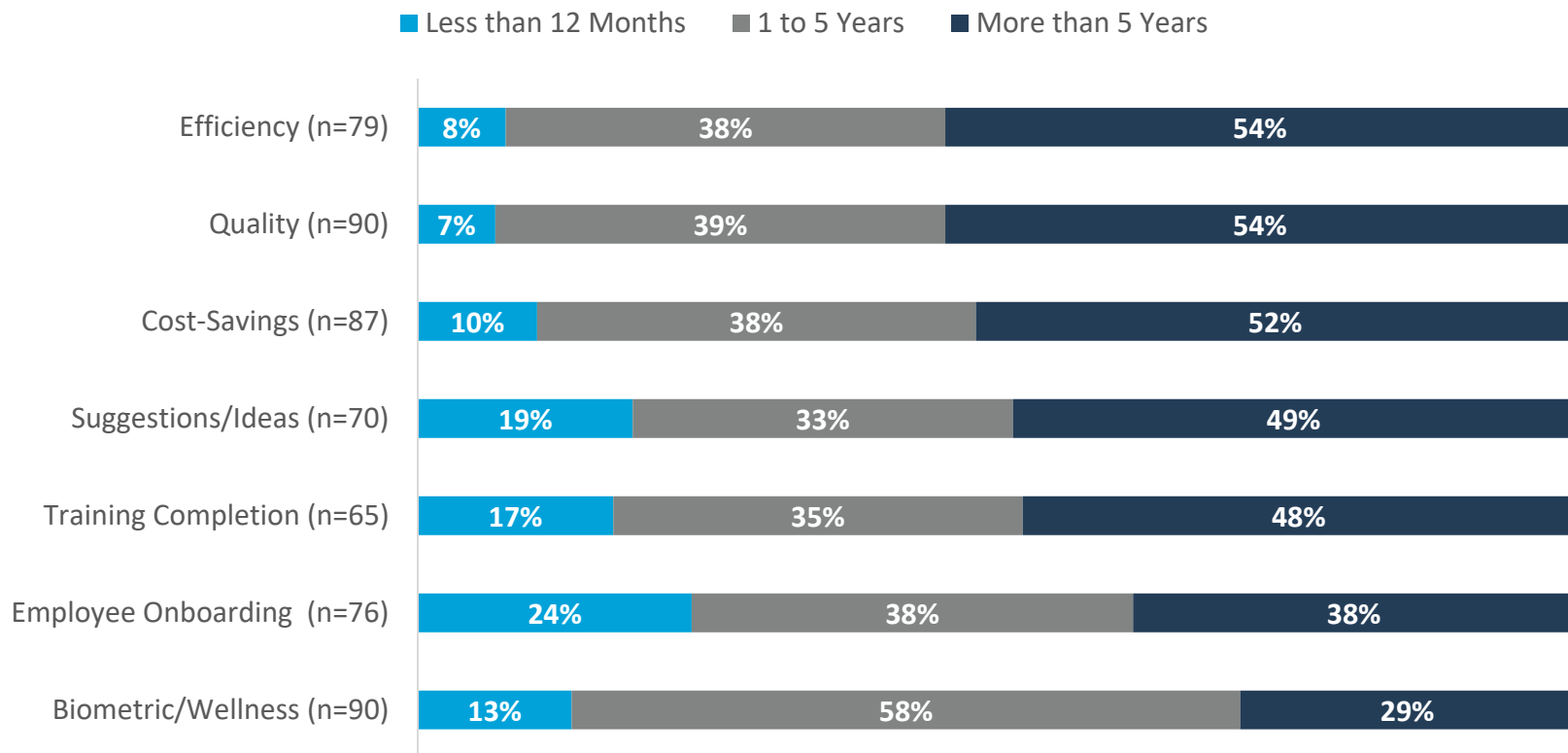
(slide 1 of 2).

Time Recognition Programs Have Been in Place (n=321)



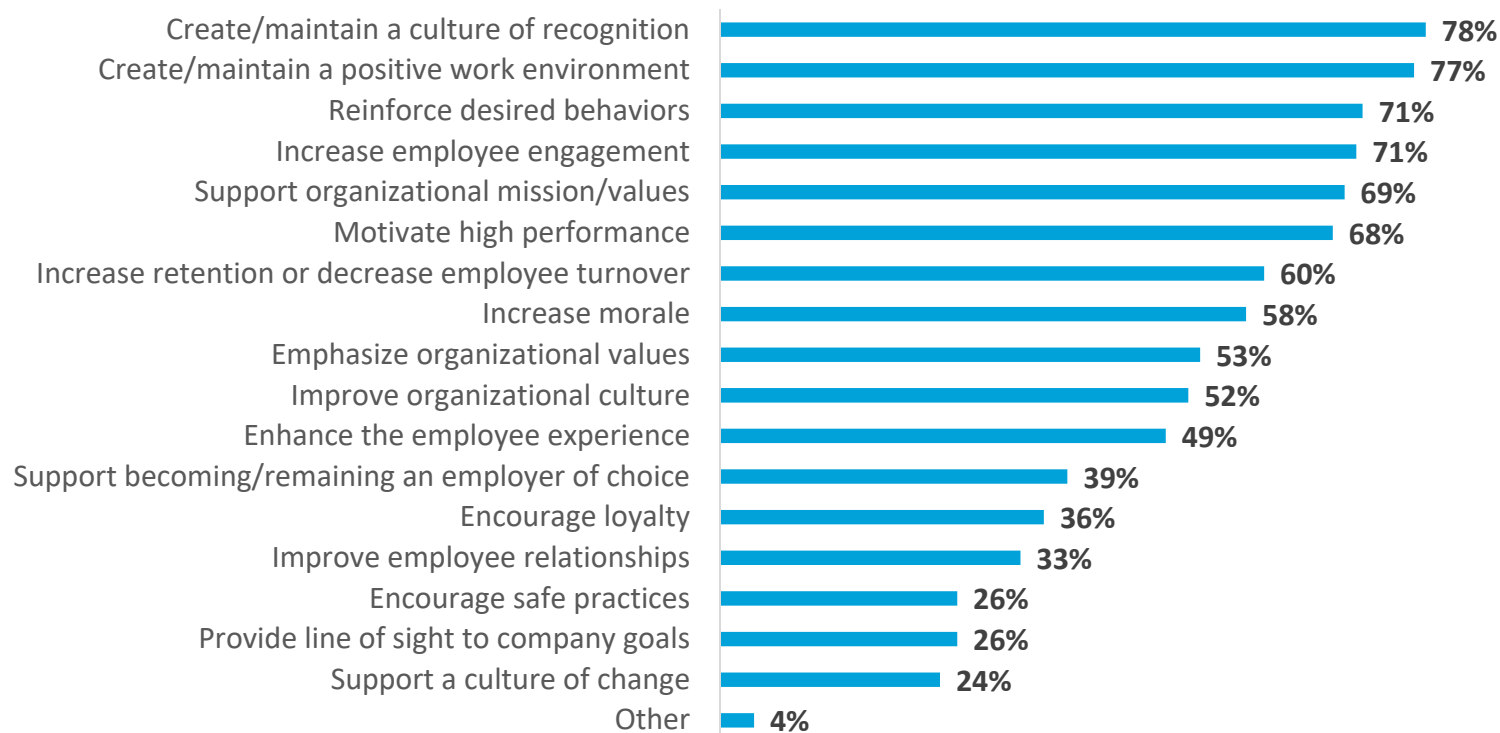
Most recognition programs have been in place for several years, but biometric/wellness programs, employee onboarding and training completion programs are on the younger side (slide 2 of 2).

Time Recognition Programs Have Been in Place (n=321)



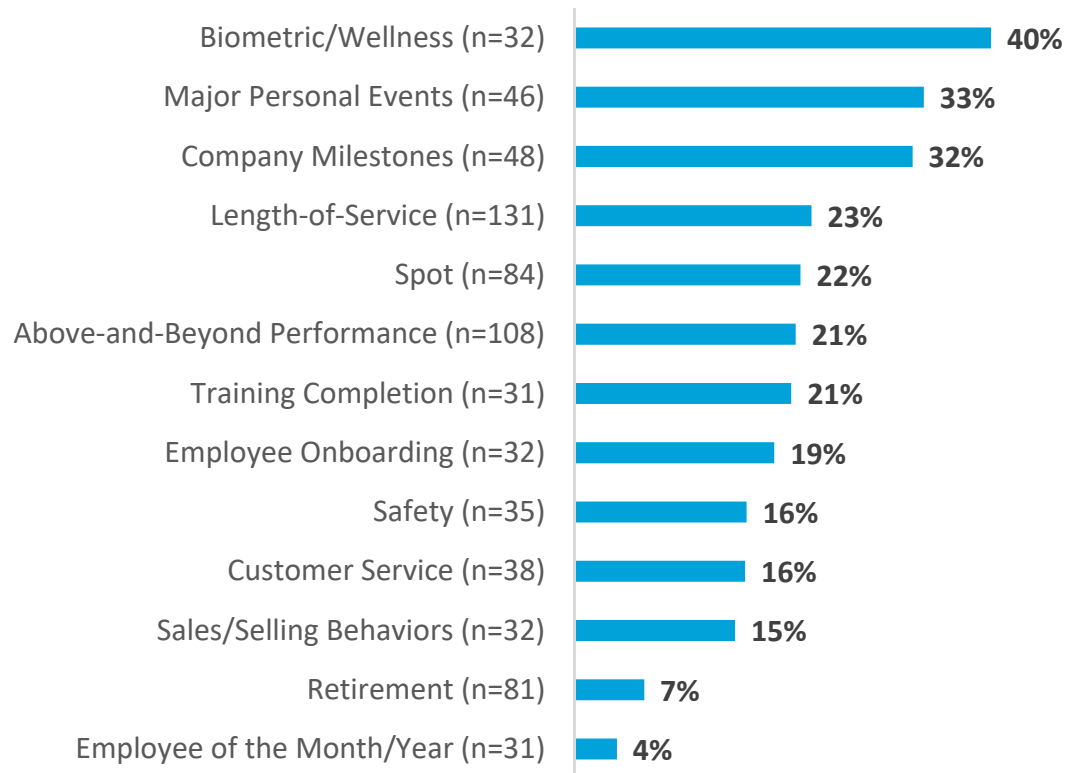
Recognition programs are aimed at a variety of objectives, both in terms of employee experience as well as business results.

Recognition Program Objectives
(n=156)

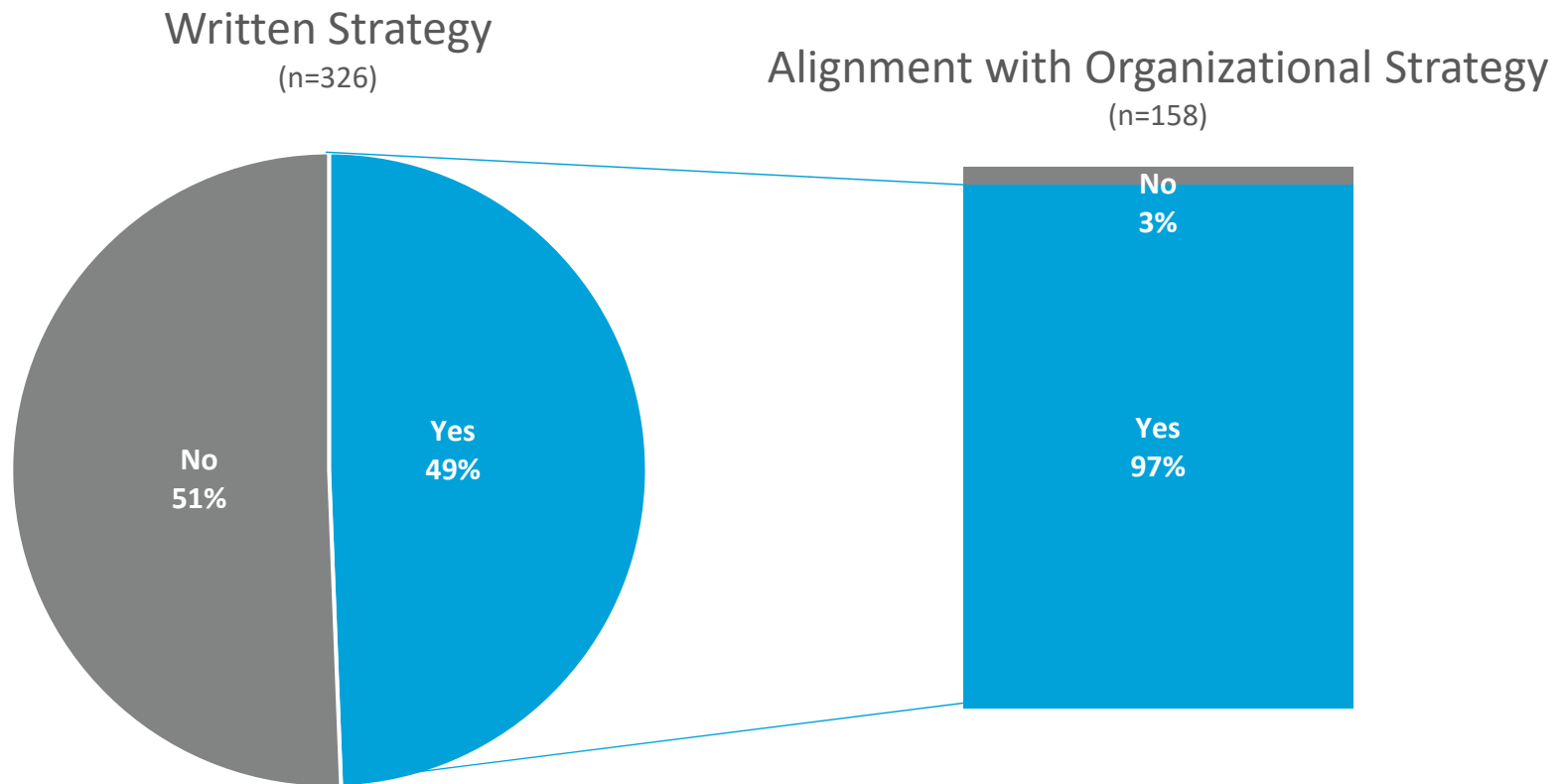


Biometric/wellness programs are the recognition programs that reaches the highest proportion of the workforce.

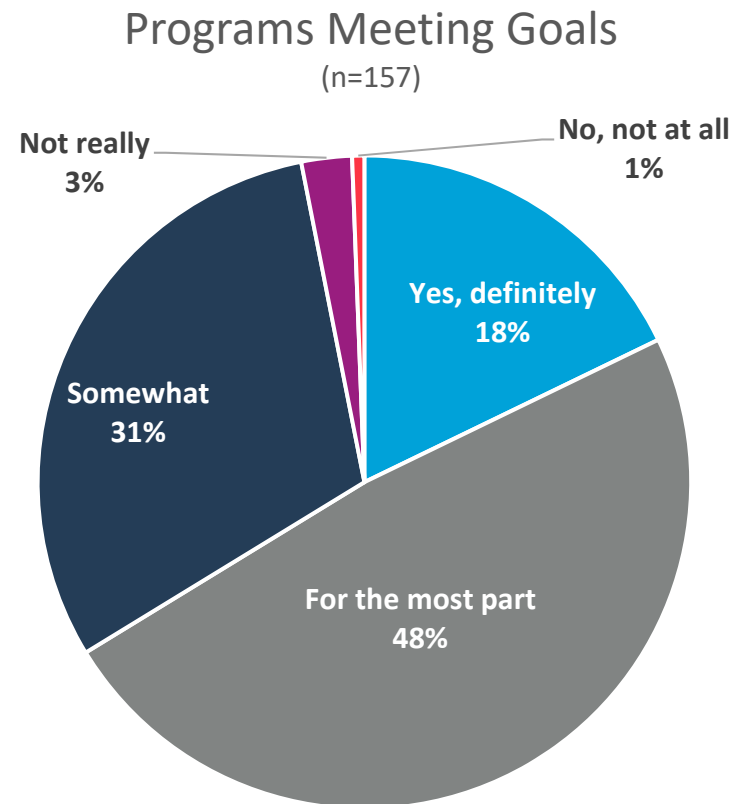
Percentage of Employees Recognized in Last 12 Months



Nearly half of organizations have a written strategy behind their recognition programs. Among those with a written strategy, the vast majority align with organizational strategy.



While most respondents feel that their programs are doing a fairly good job of meeting their goals, there is definite room for improvement.



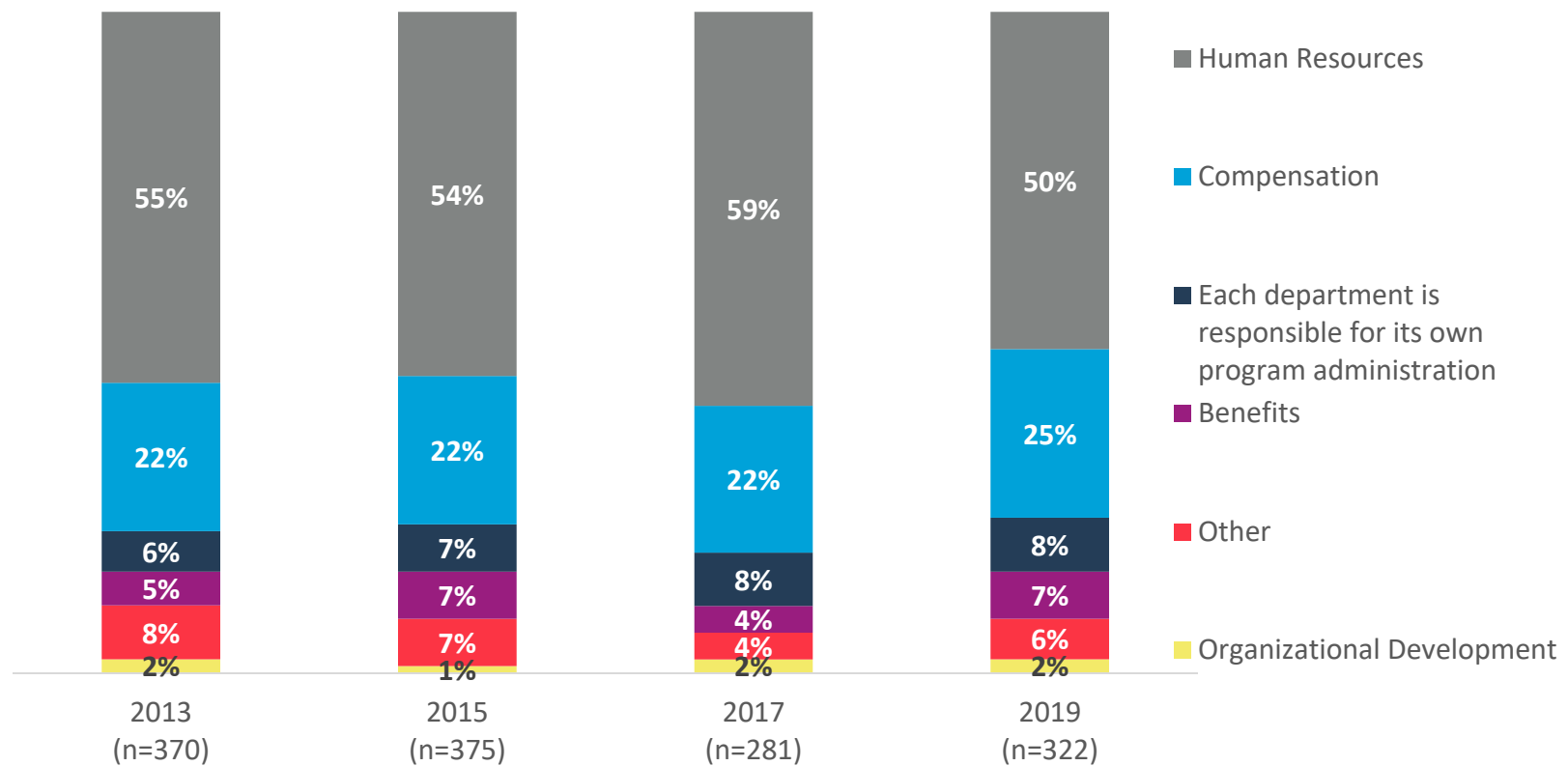
Employee engagement is the most common measure of success, followed by usage.

Measurements of Success
(n=146)



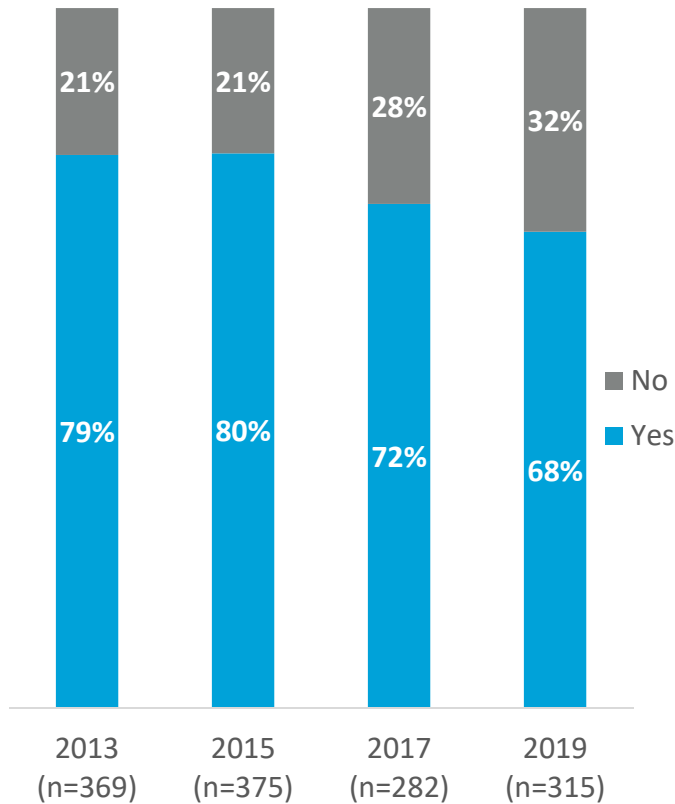
Human Resources administers the recognition program in half of organizations, with compensation and benefits departments both seeing slight increases.

Administration of Recognition Program

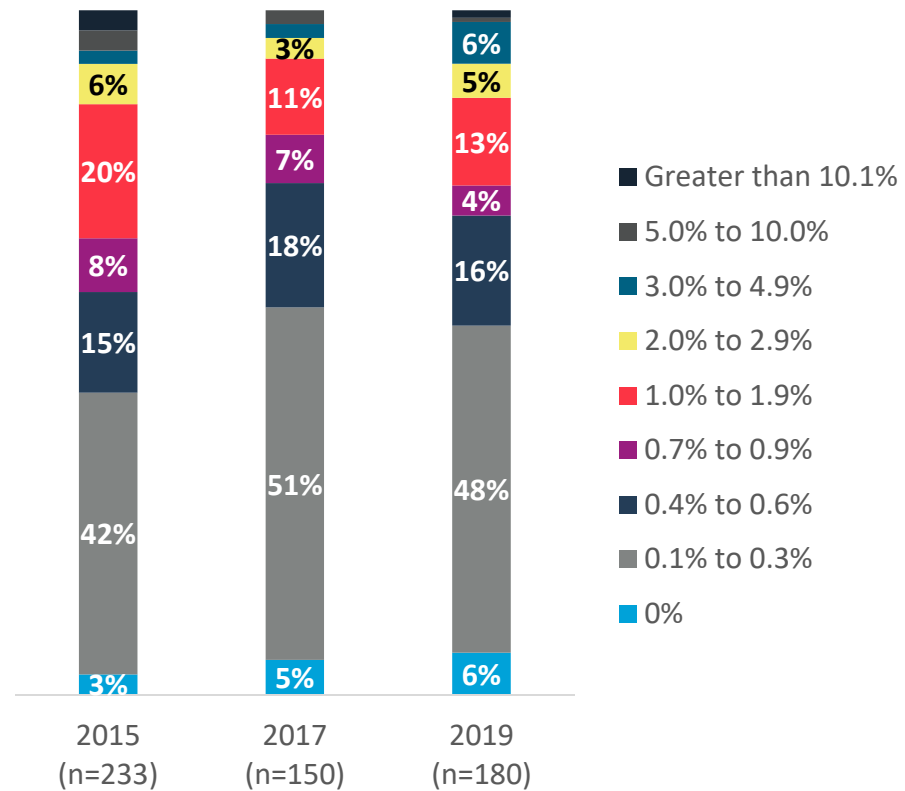


Recognition programs are often budgeted, and they are generally 0.3% or less of the payroll budget.

Budget for Recognition

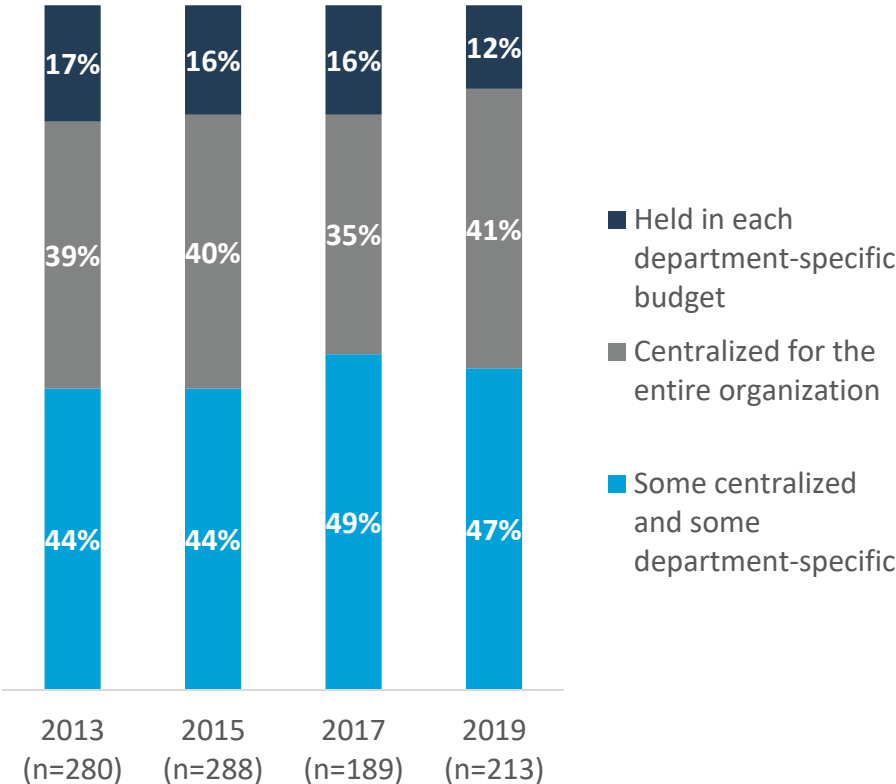


Percentage of Payroll Budget

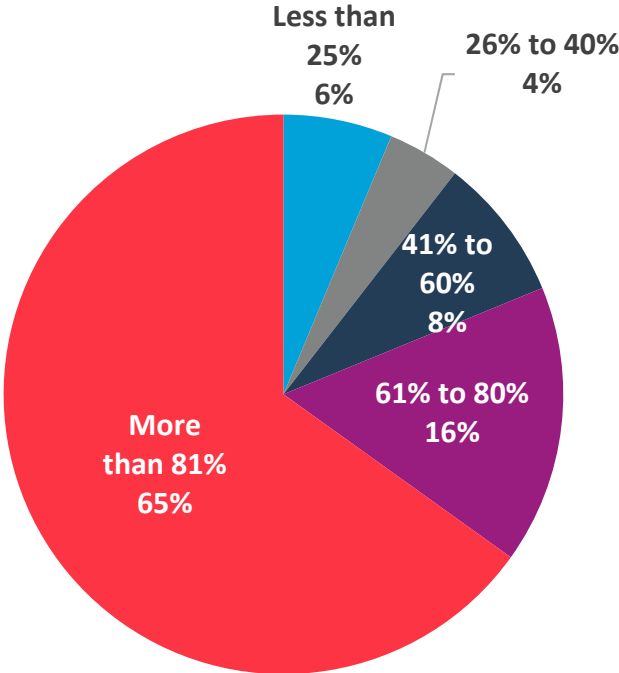


Most companies centralize budgeting for recognition programs, and budgets are well-utilized.

The Recognition Budget Is...



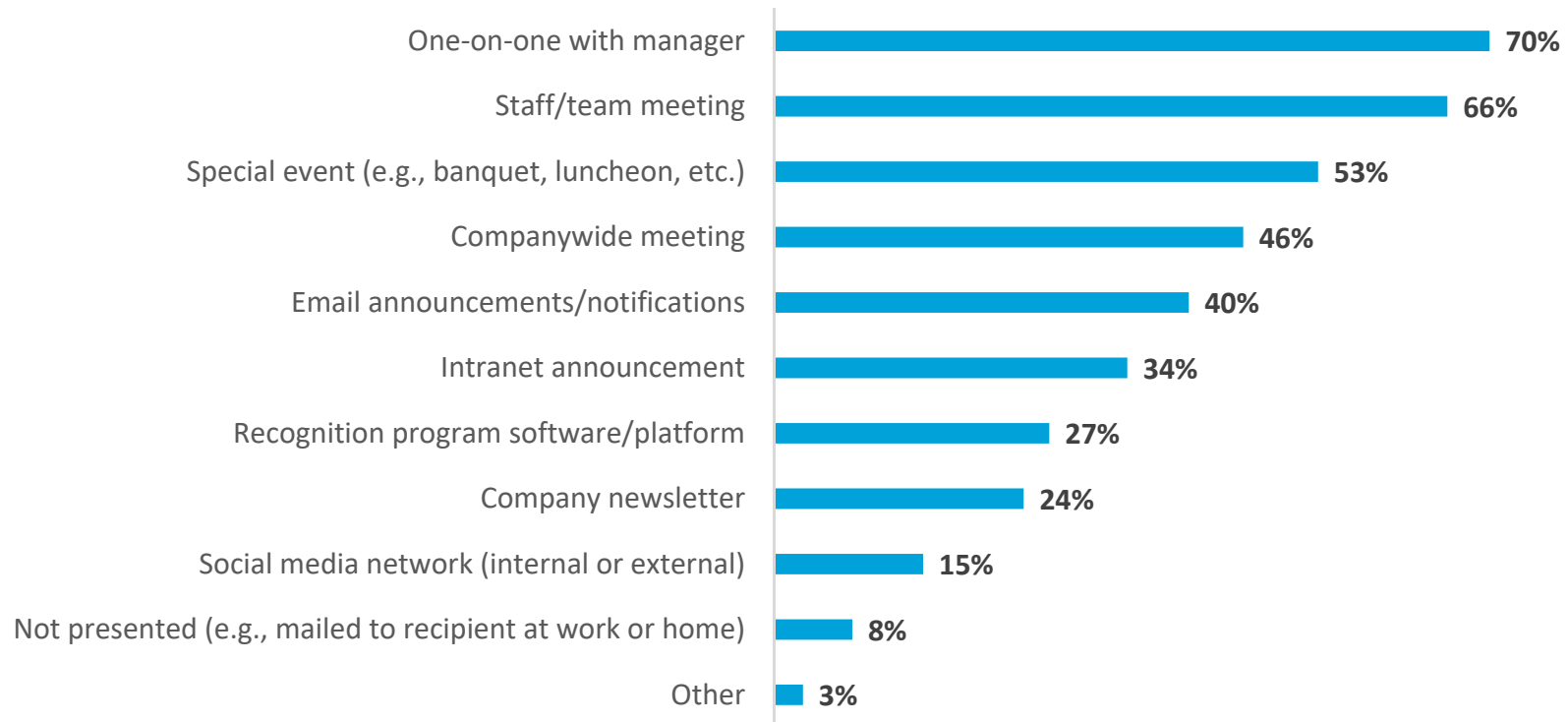
Percentage of Recognition Budget Normally Spent/Utilized Annually (n=192)



Awards are often given directly to the employee by their manager or during a staff meeting.

Presentation of Recognition Awards

(n=317)

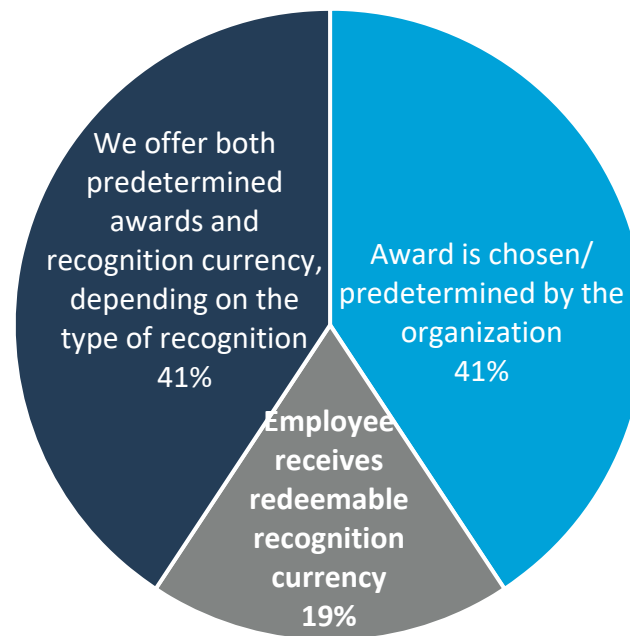


The use of email and organization intranet sites are most frequently used to communicate program activities. (n=287)

	Intranet	Internet	Internal social network	External social network	Email	Recognition program software
Recognition nomination	33%	4%	5%	3%	43%	27%
Award/item ordering	12%	26%	1%	0%	21%	28%
Recognition presentation	27%	4%	11%	3%	32%	20%
Peer acknowledgement /celebration	24%	2%	11%	2%	28%	25%
Program administration	24%	8%	4%	0%	28%	32%
Program financials, reporting and/or tracking	11%	4%	1%	0%	16%	23%
Program communication	51%	6%	13%	1%	51%	21%
Program training	24%	3%	6%	0%	17%	14%

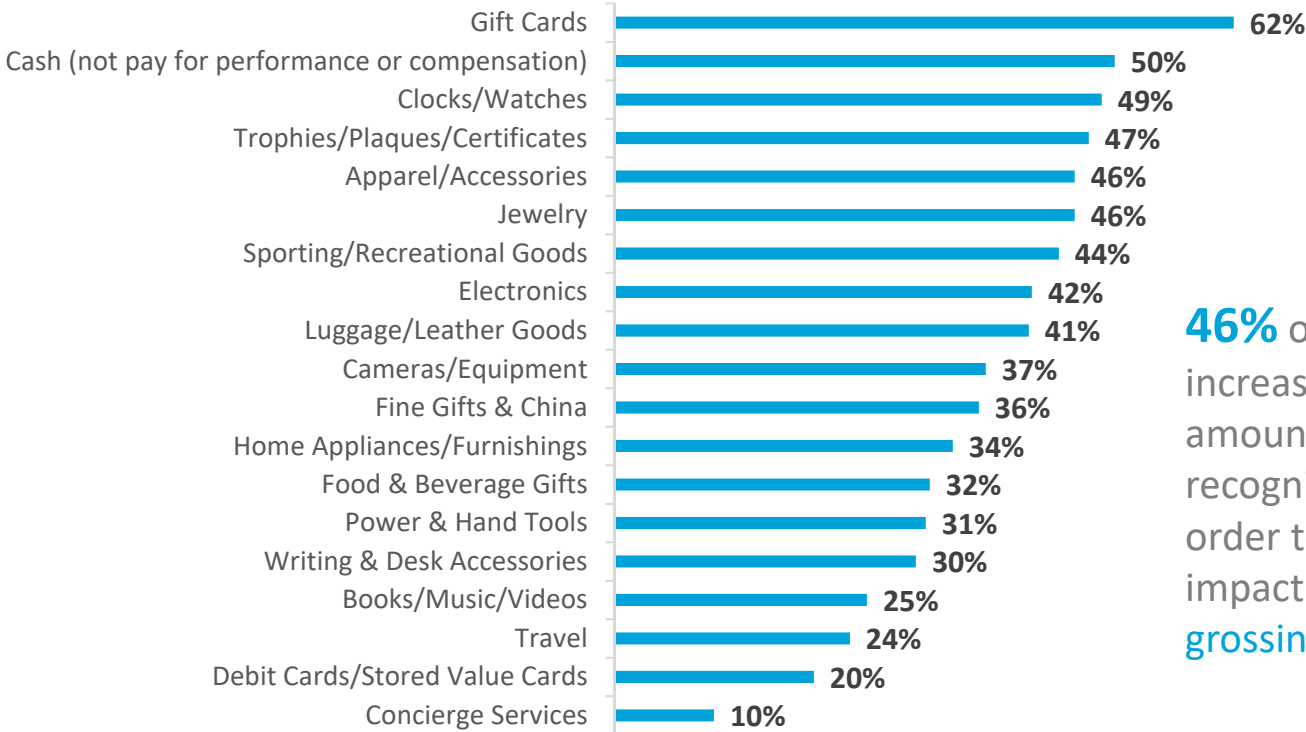
Employees are given a choice in their recognition rewards at one in five organizations, and another two in five organizations offer the employees a choice under certain circumstances.

Award Type
(n=307)



Gift cards are most common, followed by cash. Nearly half of organizations gross up rewards to offset taxes.

Types of Rewards Given
(n=302)

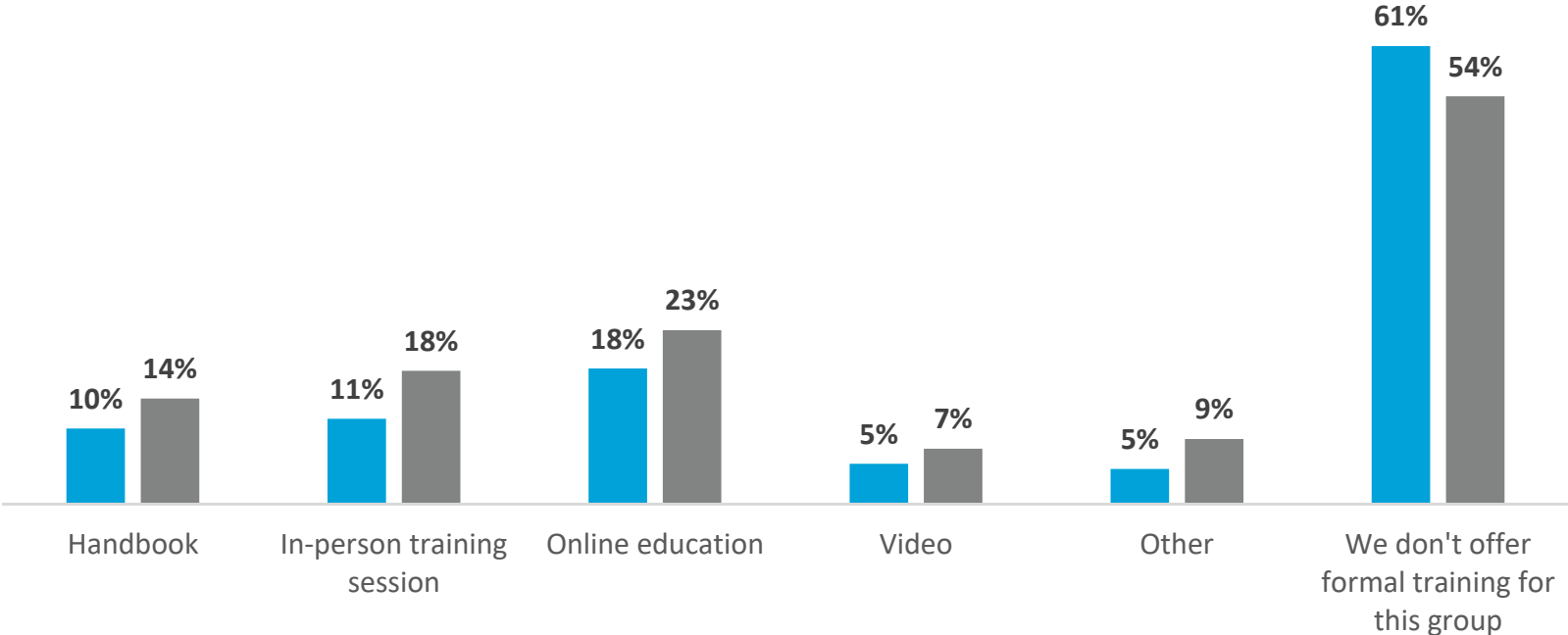


46% of organizations increase the valued amount of the recognition award in order to offset the tax impact (also known as **grossing up** the award)

Most organizations do not offer training on their recognition programs to their employees or managers, but those that do favor online education.

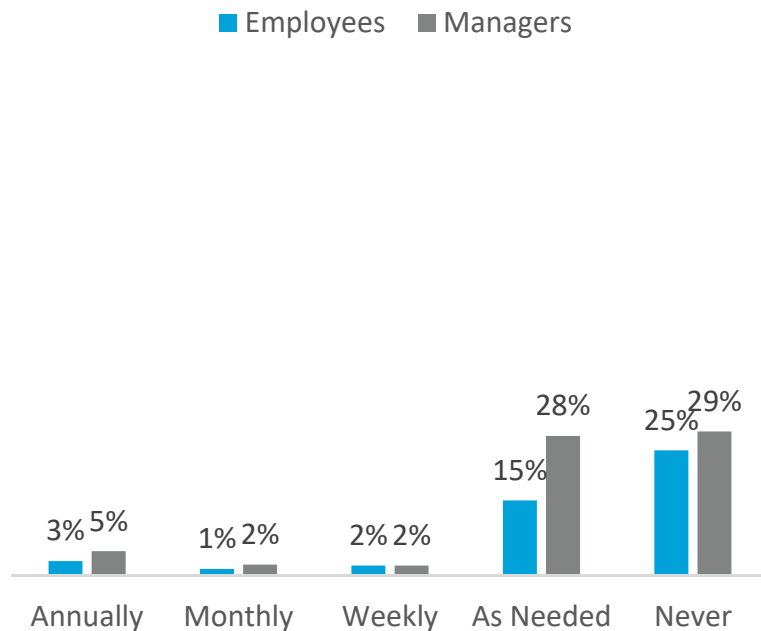
Formal Recognition Training Programs Offered
(n=298)

■ Employees ■ Managers

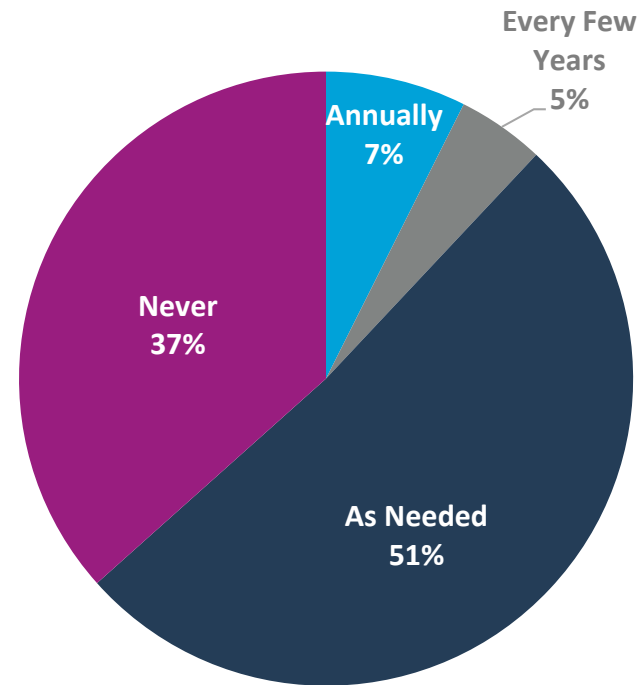


Recognition training is infrequent, and not typically updated.

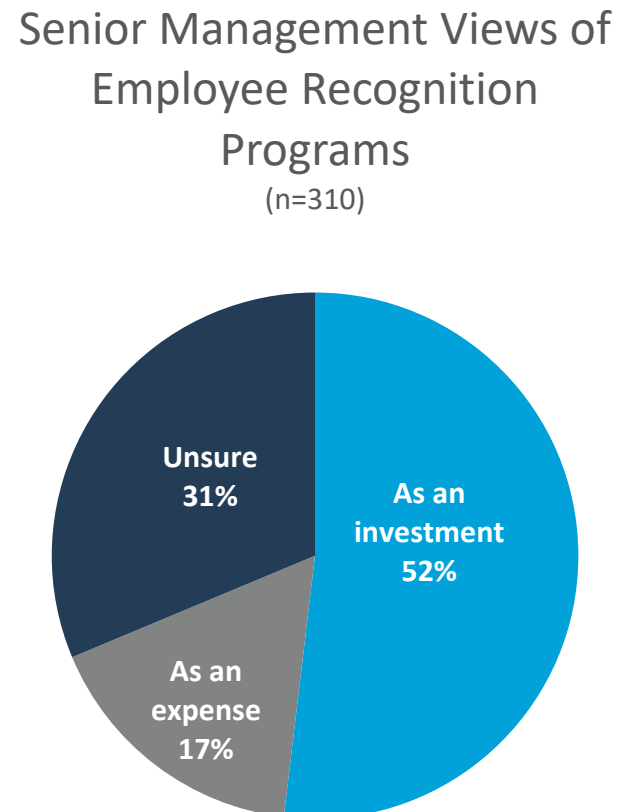
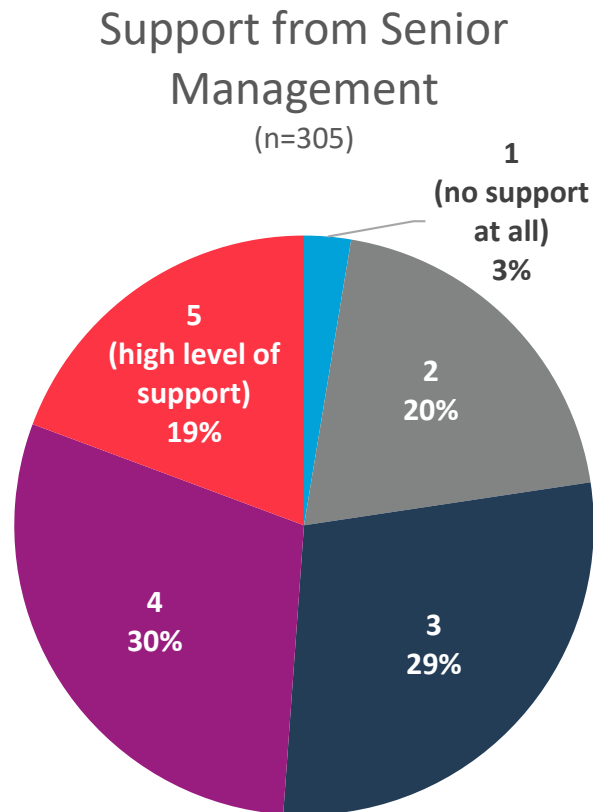
Frequency of Recognition Training
(n=445)



Frequency of Recognition Training Updates
(n=284)

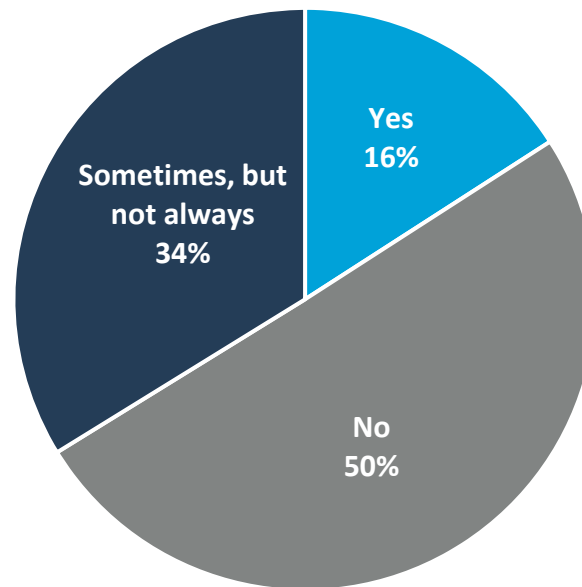


Most respondents say they have a moderate to high degree of support from senior management, who tend to view recognition as an investment.



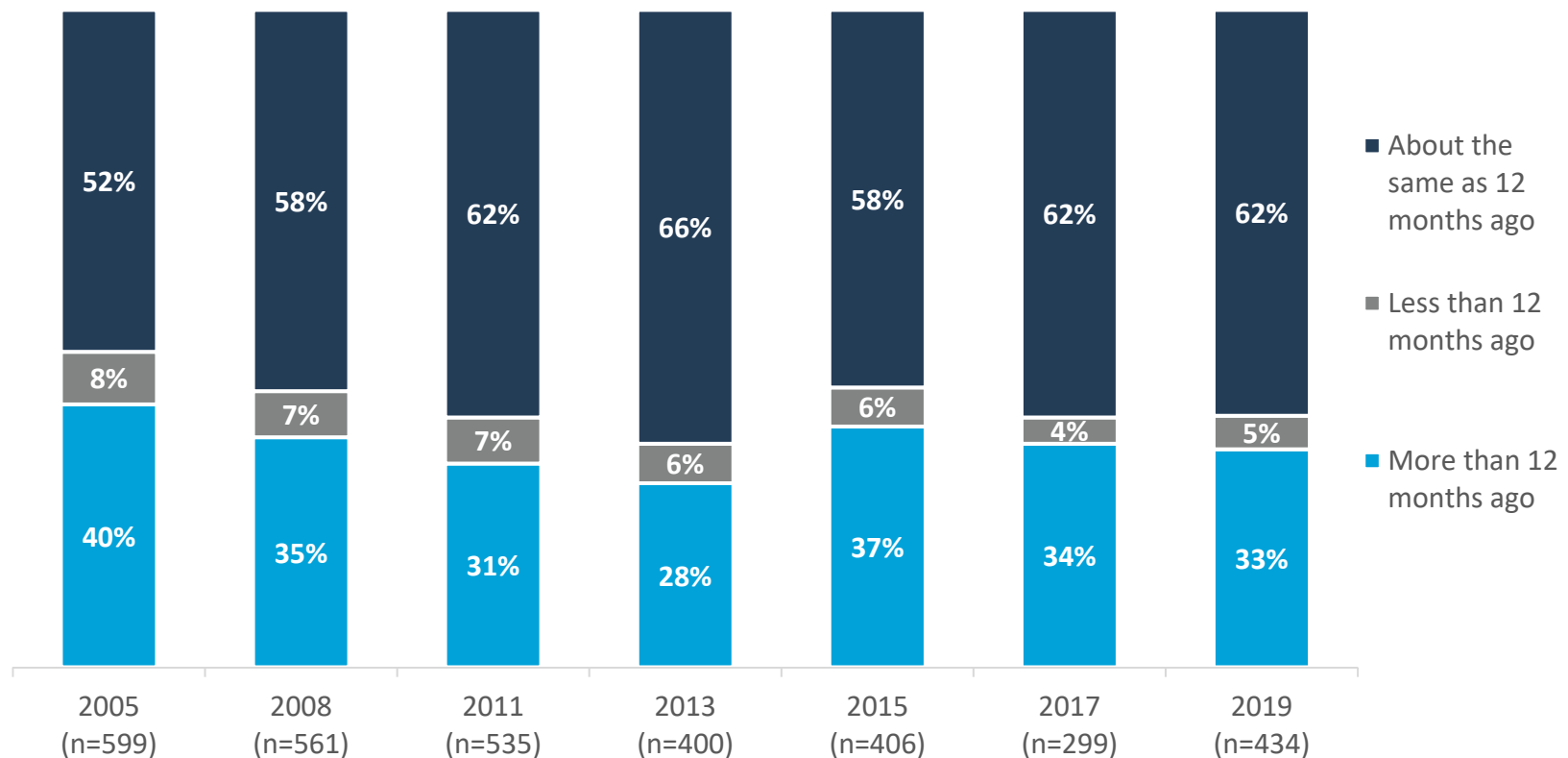
About half of organizations feature their recognition programs to attract new employees.

Organizations Featuring/Marketing Recognition Programs to Attract New Employees
(n=308)



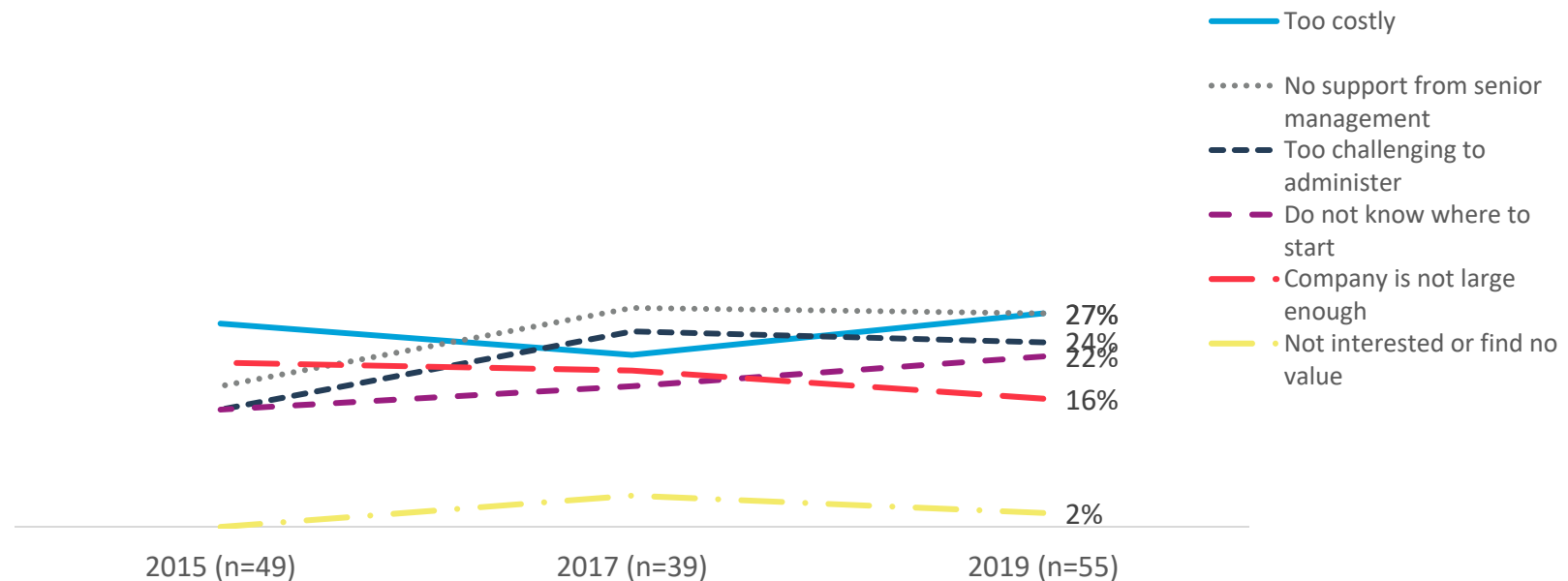
Most organizations are seeing similar levels of recognition as last year, but one in three are seeing an uptick.

Frequency of Recognition Compared to 12 Months Ago



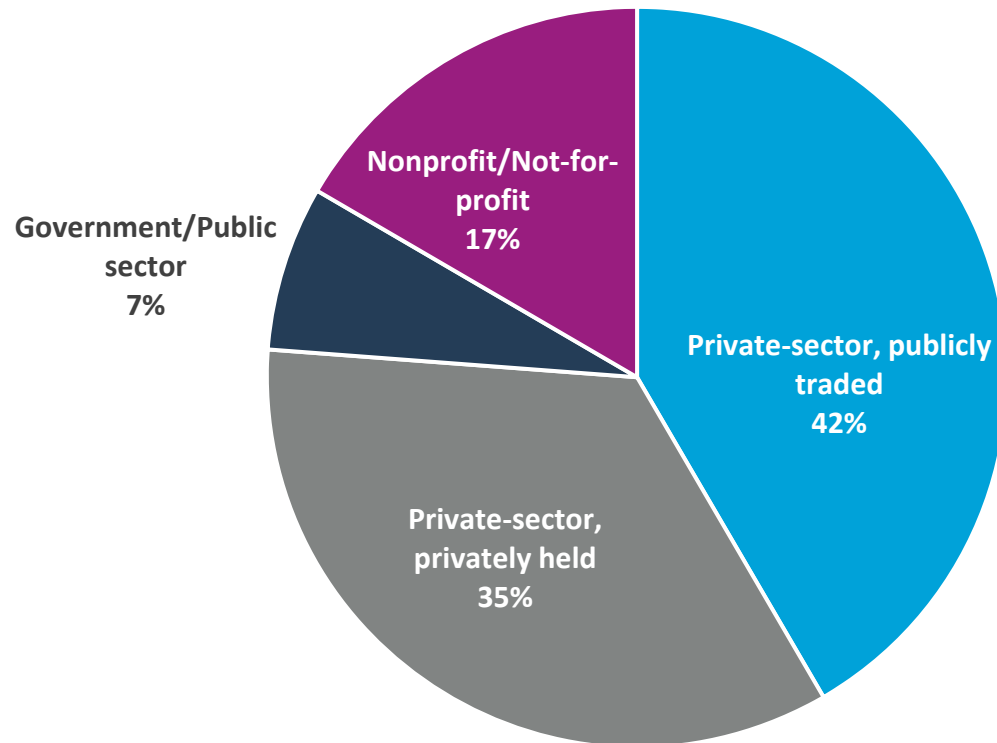
A lack of leadership support and perception of cost are the top reasons organizations cite for not having a recognition program.

Reasons for Not Having a Recognition Program

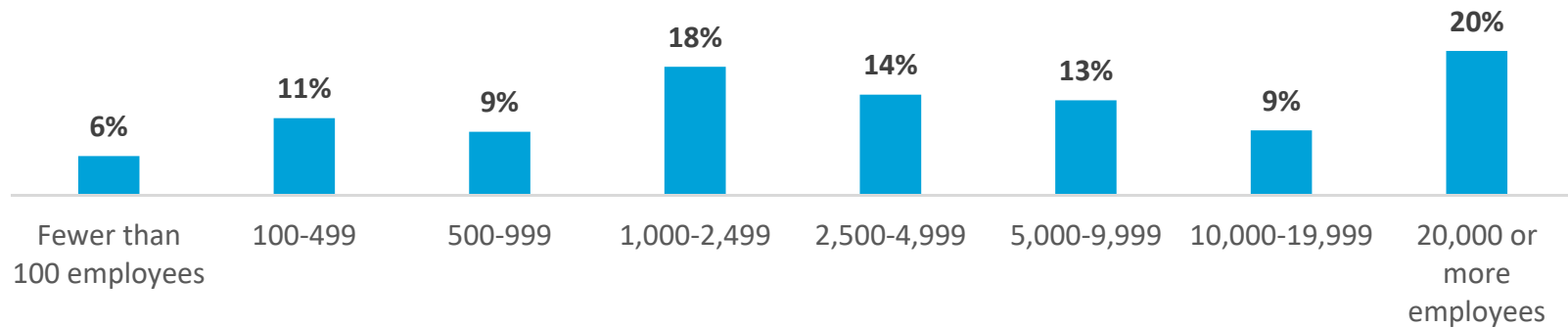


Demographics

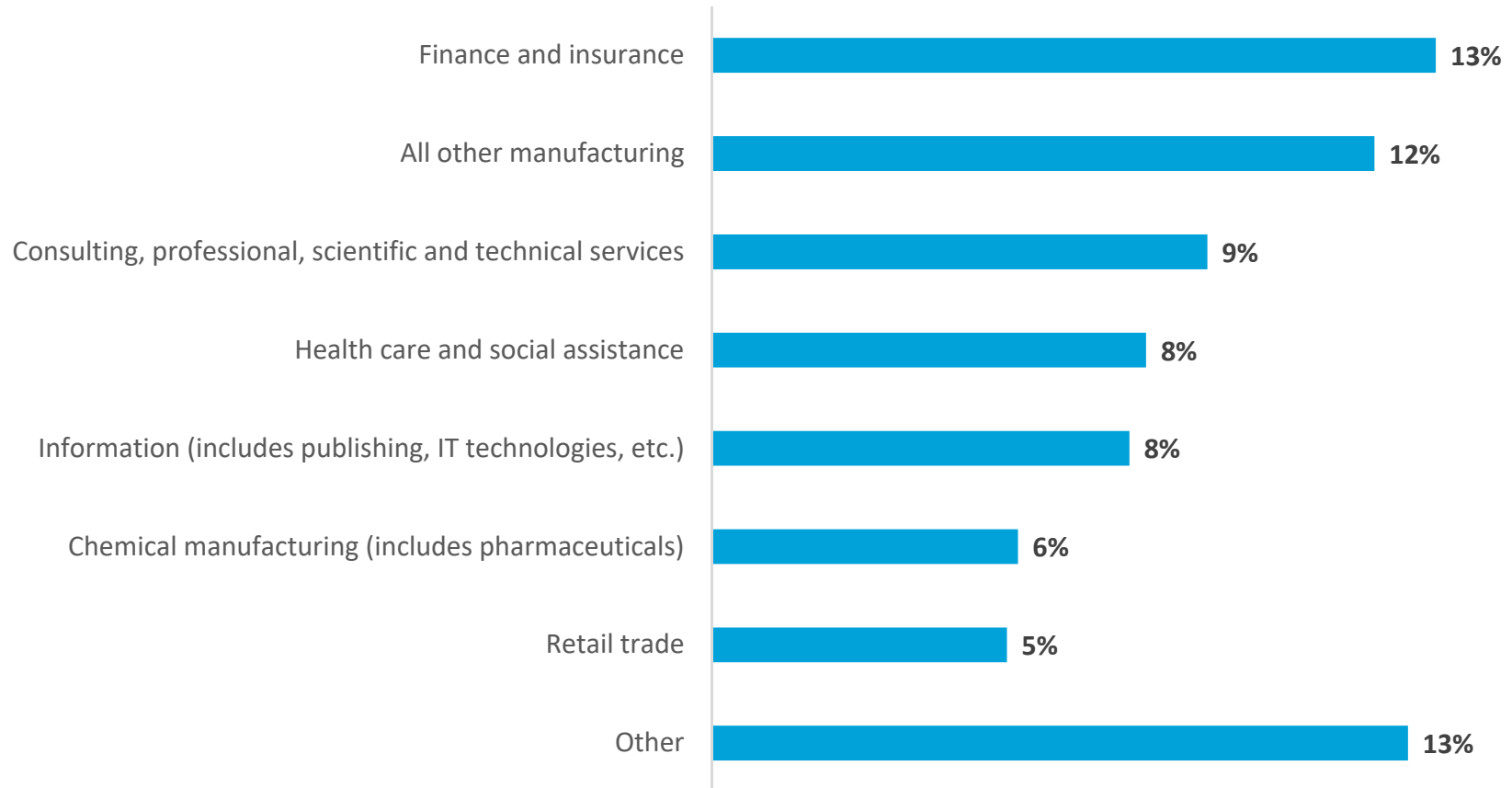
Sector (n=361)



Organization Size (n=361)



Industry (n=361)



Methodology

This report summarizes the results of a February 2019 survey of WorldatWork members that gathered information on new and continuing trends in employee recognition, including recognition of events, behaviors or results that are observed and/or incentivized. For the purposes of this survey, “recognition” is defined as “a gesture to acknowledge, give thanks for or celebrate an event, behavior or result that was observed and/or incentivized.”

On Feb. 20, 2019, survey invitations were sent electronically to 5,427 WorldatWork members. The survey closed on March 11, 2019, with 472 responses. The dataset was cleaned, resulting in a final dataset of 445 responses. In order to provide the most accurate data possible, data was cleaned and analyzed using statistical software. Any duplicate records were removed.

The demographics of the survey sample and the respondents are similar to the WorldatWork membership as a whole. The typical WorldatWork member works at the managerial level or higher in the headquarters of a large company in North America. The frequencies or response distributions listed in the report show the number of times or percentage of times a value appears in a dataset. Due to rounding, frequencies of data responses provided in this survey may not total exactly 100%.

The full text of the questionnaire can be found [here](#). A list of participating organizations can be found [here](#).

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