



**Achievers**

# **2020 State of Recognition**

Benchmarking and best practices  
for recognition programs

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# Executive Summary

## Welcome to the Achievers Workforce Institute's 2020 State of Recognition Report, where we explore and analyze how organizations today are recognizing their workforces.

While most organizations have at least some form of recognition program in place, it's often difficult to gain visibility into the various program types, their effectiveness, and how they are operated. Therefore, in late 2019, we surveyed organizations about their recognition strategy, what they were aiming to achieve, and how their programs were configured. We sought to quantify these questions about recognition practices using data and insights to help organizations assess their current strategy against their peers, and to help them evolve their programs as employee and organizational needs change over time.

When asked how long they've had formal recognition programs in place, the answers were almost evenly spread, ranging from less than a year—to more than 10 years (page 7). The fact that nearly a fifth of organizations had implemented programs in the last 12 months shows that recognition is still a growing area, and that it is less of a nice-to-have and becoming a must-have category.

Organizations are increasingly acknowledging that recognition is a critical tool for driving engagement, commitment, and team building. Research shows it can also be a key driver for reducing turnover and improving morale. The fact that more organizations embrace this science-backed solution every year is a clear signal that HR leaders understand the value and impact of recognition.

As anticipated, creating a culture of recognition and increasing employee engagement topped the list of recognition program goals (page 8). Additionally, almost two-thirds of respondents said reducing turnover was one of their overall program objectives. Looking into those numbers further showed that industries facing skill shortages such as

healthcare and manufacturing were even more likely to have a focus on reducing turnover.

Finally, drawing your attention to the global nature of recognition, one-third of companies described their programs as global (page 18). However, when we look at the countries in which organizations operate and compare it to where their programs are available (page 12), a notable trend appears.

While 42 percent of organizations operate in Europe, and almost as many operate in Asia, less than 10 percent offer a single, global recognition program. This data suggests a missed opportunity to provide every employee a consistent recognition experience. By encouraging all employees to recognize and reinforce positive behaviors across all locations, we expect to see improved relationships, better cross-collaboration, and knowledge sharing. Having different programs for different countries could also result in discontent and lower morale for locations that don't have access to recognition programs.

Overall, we're encouraged to see the growing importance being placed on recognition and pleased that we can offer benchmarking and best practices to our customers and broader community, helping to inform your recognition strategy moving forward.

Sincerely,



**Dr. Natalie Baumgartner**  
*Chief Workforce Scientist*  
Achievers Workforce Institute



# Key Findings

# Key Findings

1

## Peer-to-peer recognition is key to program success

Organizations that include peer-to-peer recognition as a component rate their programs as more effective than those who don't. This indicates that peer-to-peer recognition is a critical aspect of a successful recognition program.

2

## Recognition programs are still a growing area

One in five organizations implemented their program in the last year, indicating that recognition strategy is still a focus area for many organizations and HR leaders. As a continually growing area of HR strategy, recognition should be top of mind as a key driver of engagement. Organizations should ensure they are using science-based solutions to drive positive results.

3

## Training is limited, holding back programs

Few organizations are training employees or managers on important aspects of recognition such as quality of content or frequency. Most training occurs only once, during onboarding, and focuses on the importance of recognition. Individuals are not trained on the importance of frequency or quality of recognition.

4

## Global companies don't have global programs

One-third of organizations describe their programs as global, however, when asked about where the program was available, very few organizations are offering truly global solutions. Almost half of organizations have offices in Europe or Asia, but less than 10 percent say their recognition program is available in those locations.

5

## Engagement and culture stand out as program objectives

The main goals for recognition programs are to increase engagement and create a culture of recognition. Some industries, including healthcare and manufacturing, are more likely to include reducing turnover in their goals.



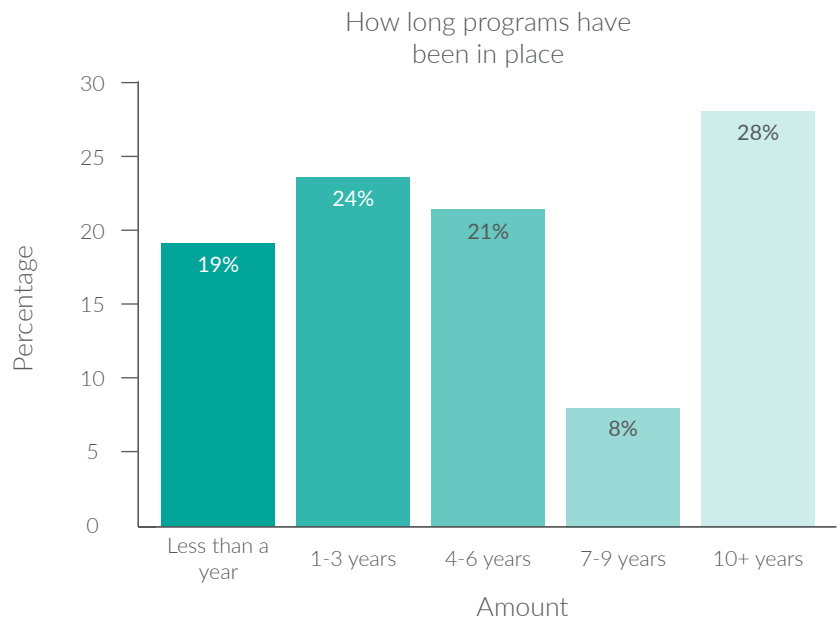
# Benchmarking

# Program Basics

While most organizations have had their programs in place for at least four years, almost one in five had started their program in the last 12 months. This indicates that recognition is still a growing area, despite a third of respondents saying their organization had a program in place for more than 10 years. Achievers has seen the increased sophistication of recognition programs over the past 5 to 10 years. As employers see the value of non-monetary and peer-to-peer recognition, they begin to move past traditional rewards such as years of service gifts.

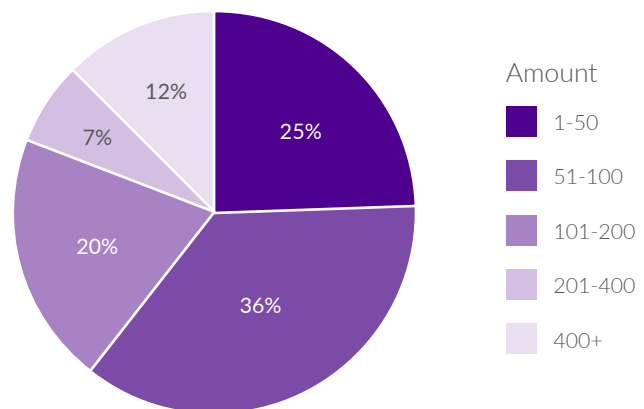
## How much money is allocated per employee per year?

The most common amount spent annually per employee was between \$51 and \$100. A minority of companies were spending more than \$400 per employee per year. There was a statistically significant trend that those who spent more rated their programs as more effective, although we know from our experience that company size and industry can be a factor and you can have a successful program at any budget.



*More than half of organizations spend less than \$100 per employee per year*

Money allocated per employee per year



# Program Pillars

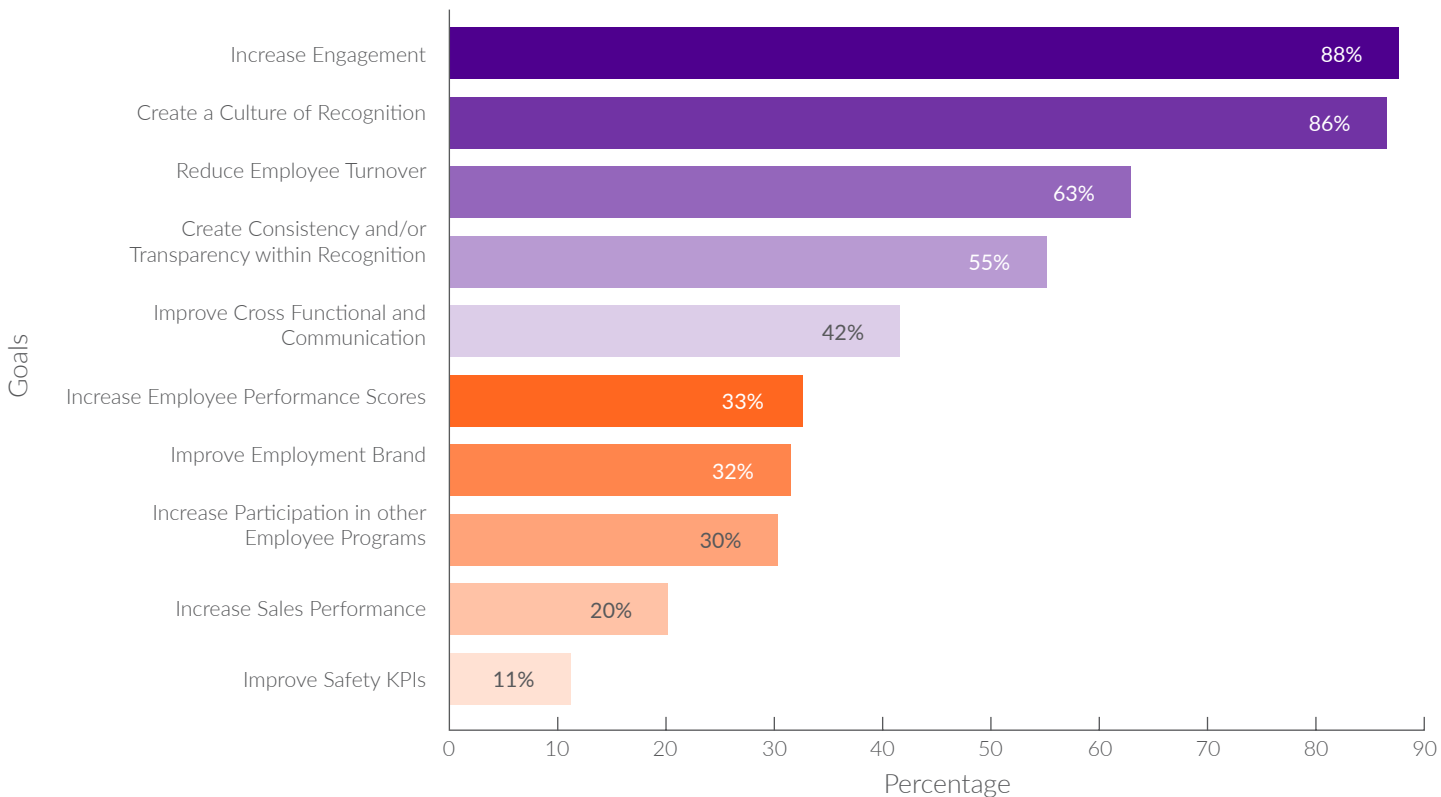
## Goals of recognition strategies

What are the objectives of your recognition program? Without clarity of what you are trying to achieve, it becomes difficult to measure success. The most common goals of a recognition program are to increase engagement and create a culture of recognition. The link between recognition and

engagement is strong. Achievers data shows that every time organizations double the number of recognitions in their organization, their overall engagement is expected to go up five percentage points.



Goals of recognition strategies

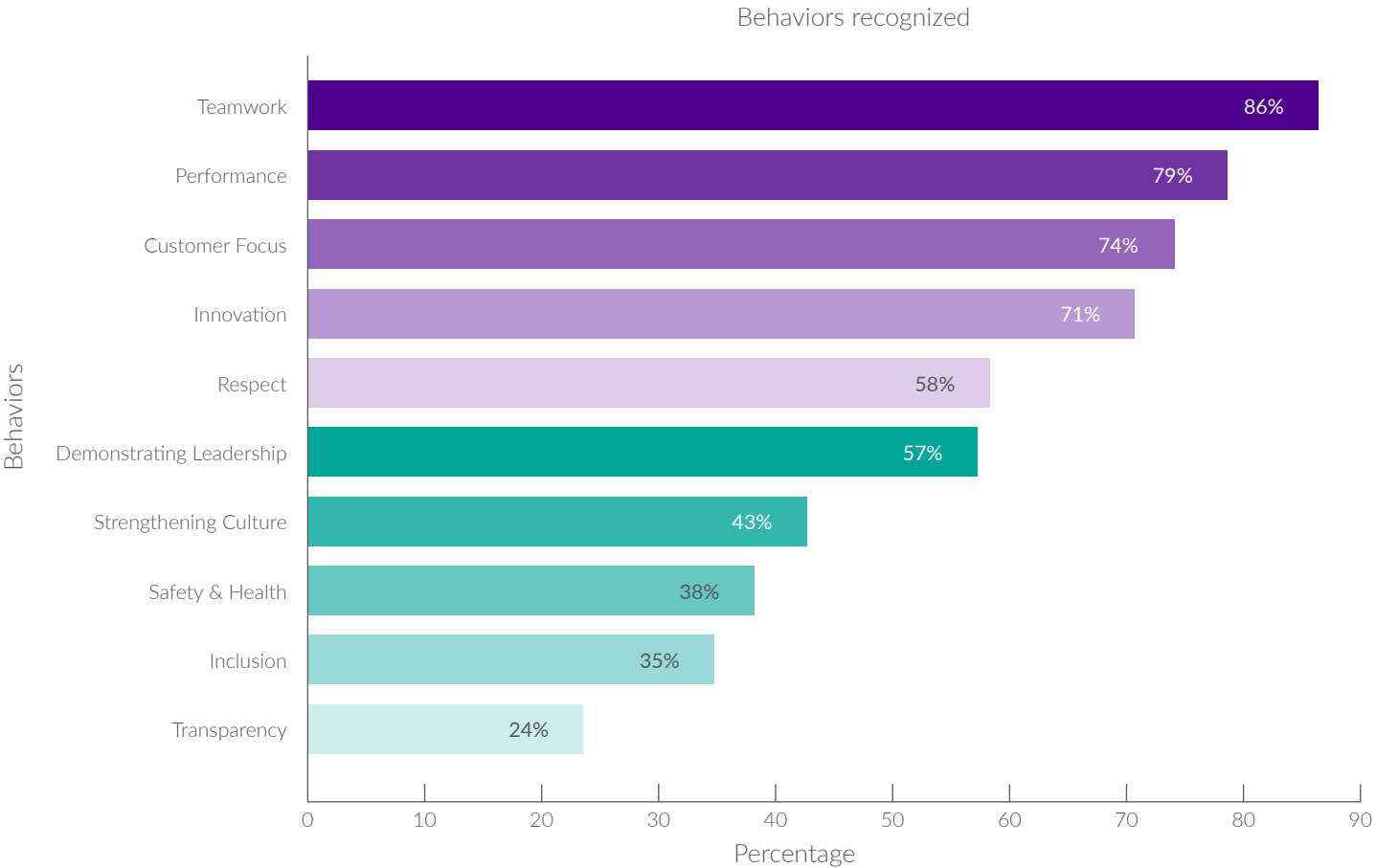
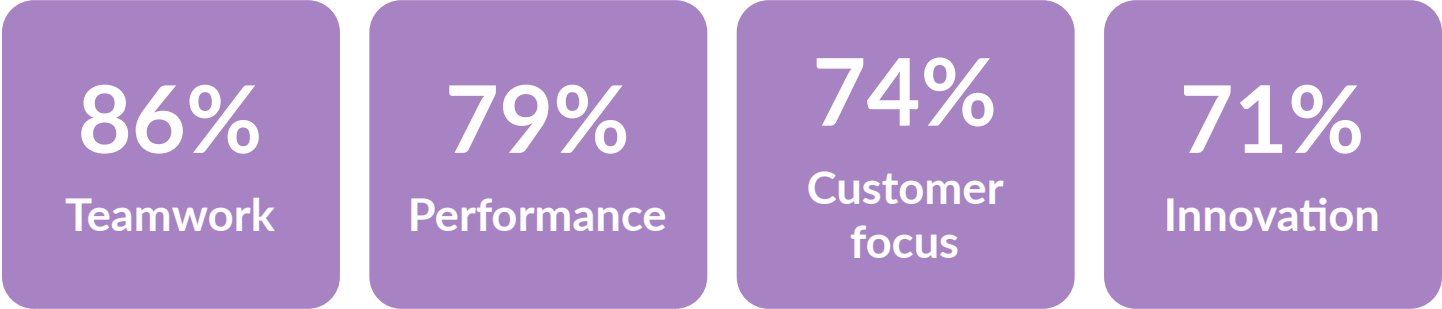




### Top behaviors recognized

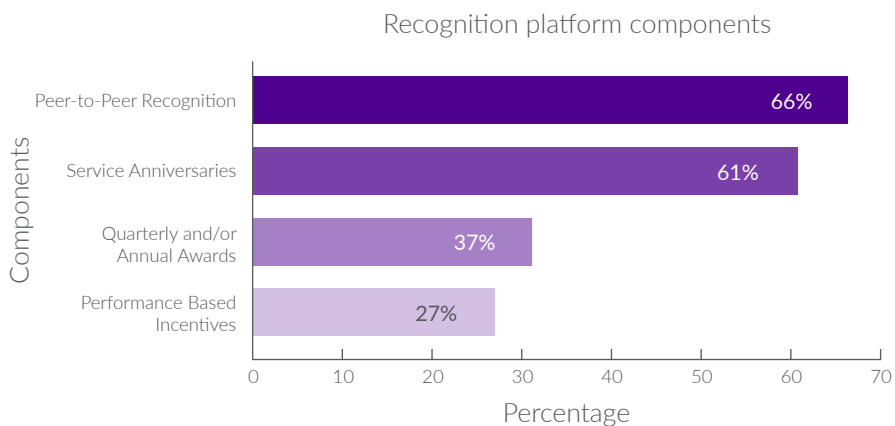
At Achievers we have a saying—what gets recognized, gets repeated. So, what are the most common behaviors that employers are hoping to reinforce? Teamwork tops the list, with more than 8 out of 10 respondents saying this was one of the behaviors recognized. It even beats out performance,

which comes in second on the list. Rounding out the top 4 are customer focus and innovation. More than 7 out of 10 organizations include at least one of these in their list of behaviors recognized.



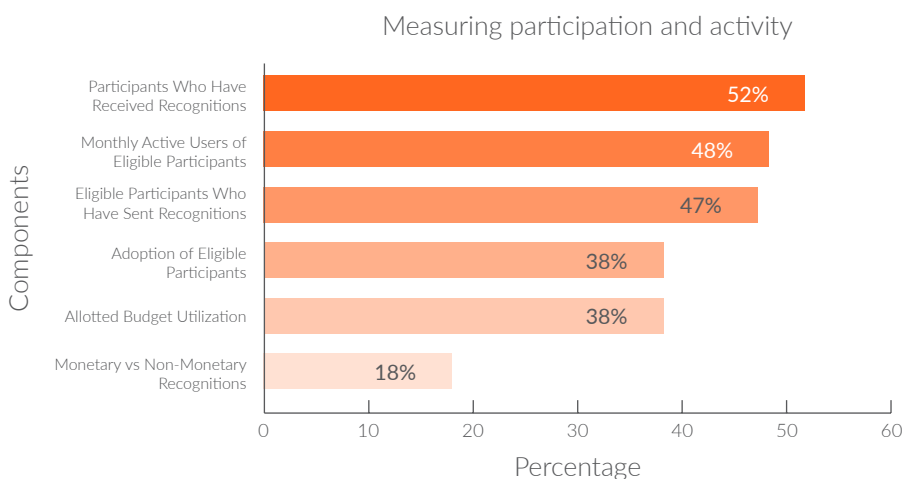
## Components of recognition platforms

Two-thirds (66%) of organizations include **peer-to-peer recognition** in their program. This is good news for those that do, as there is a clear correlation between including peer-to-peer recognition and rating their program as more effective. In other words, programs that include recognition between team members are more effective than those that do not include it.



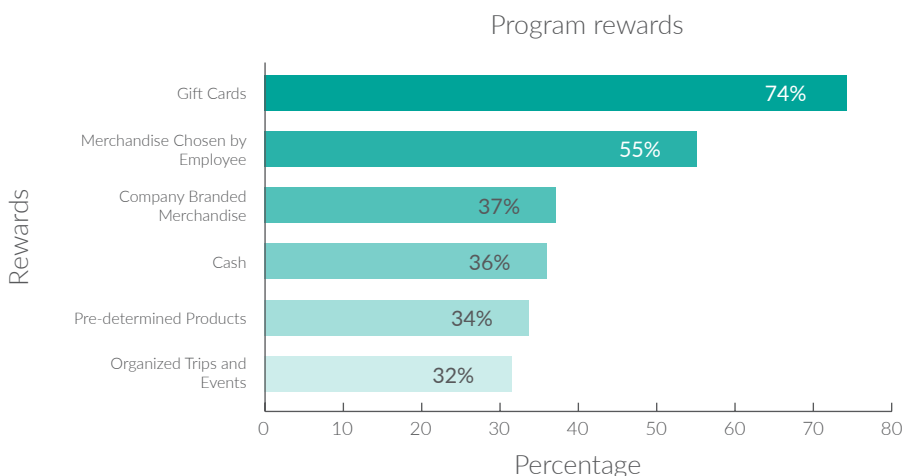
## What companies use to measure participation and activity

When asked how they measure participation and activity, the majority are looking for **active users**—the percentage who have 1) received recognition, 2) been active on the platform in the last month, or 3) have sent recognitions.



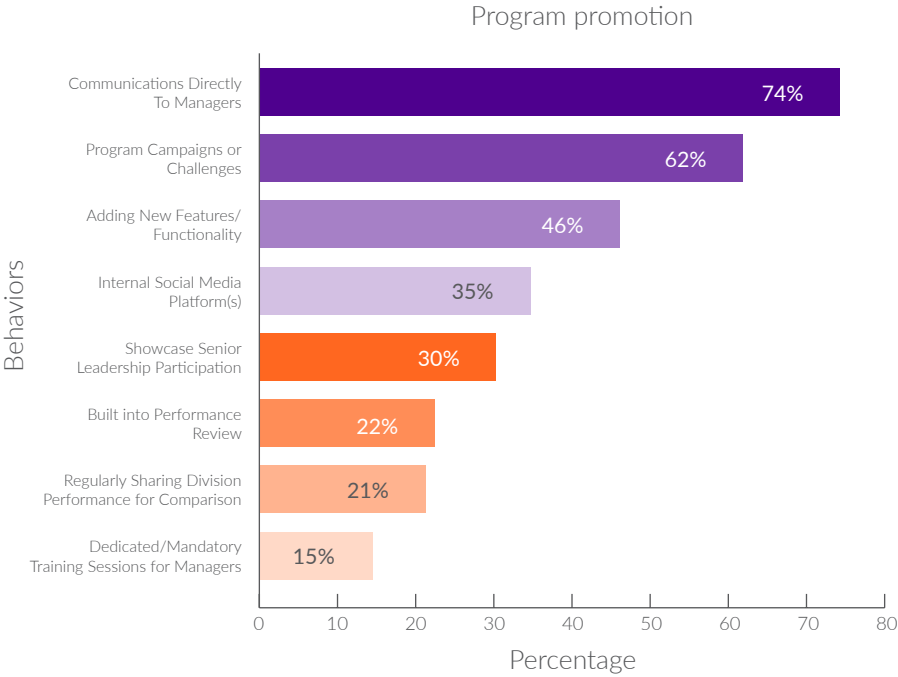
## Rewards available through the program

**Gift cards** are by far the most common form of reward available through most programs. Almost three-quarters (74%) of employers offer this type of reward. While no other type of reward comes close in response rate, more than a third (36%) of organizations offer cash rewards, and almost a third (32%) include trips or events in their reward offering.



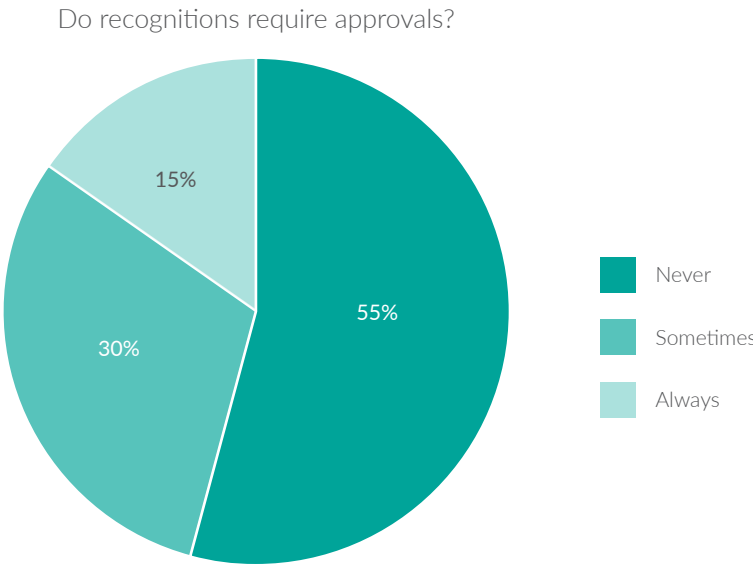
## How companies promote their program

The most common way companies promote their recognition and rewards program is through communication directly to managers. This is followed by specific campaigns or challenges that encourage use of the program. Both of these are effective ways to encourage use, however, many organizations are missing key strategies. Less than half (46%) are promoting new features or functionality, and just a third are showcasing leadership participation. While frontline managers are key to driving success, direct communication to all employees about the program, features, and benefits will help drive participation at all levels.



## Do recognitions require approvals?

Almost half (45%) of organizations sometimes or always require approval for recognitions. While there may be reward types that need review, such as quarterly or annual awards, Achievers recommends that day-to-day recognition be as obstacle-free as possible. Adding unnecessary levels of approval slows the process and discourages participation.

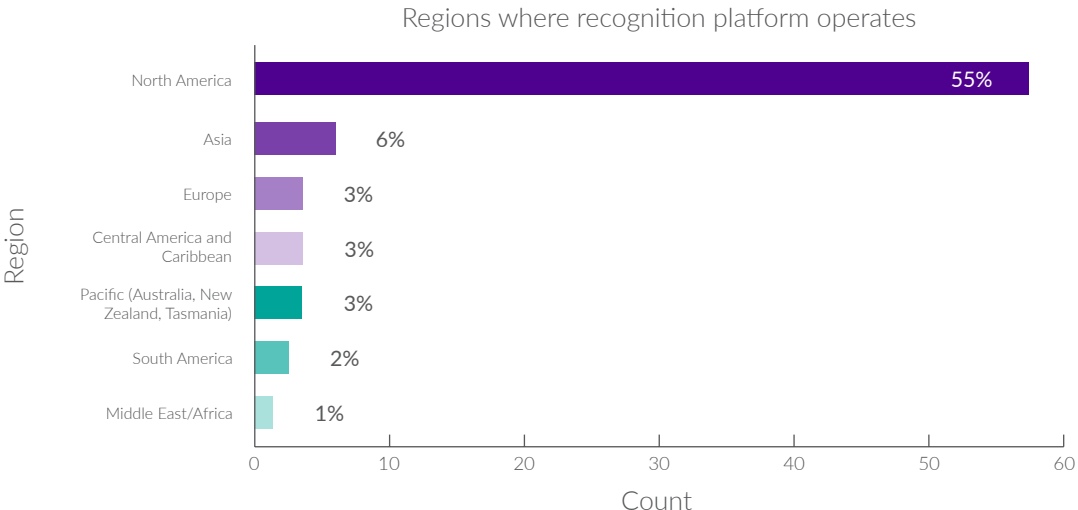
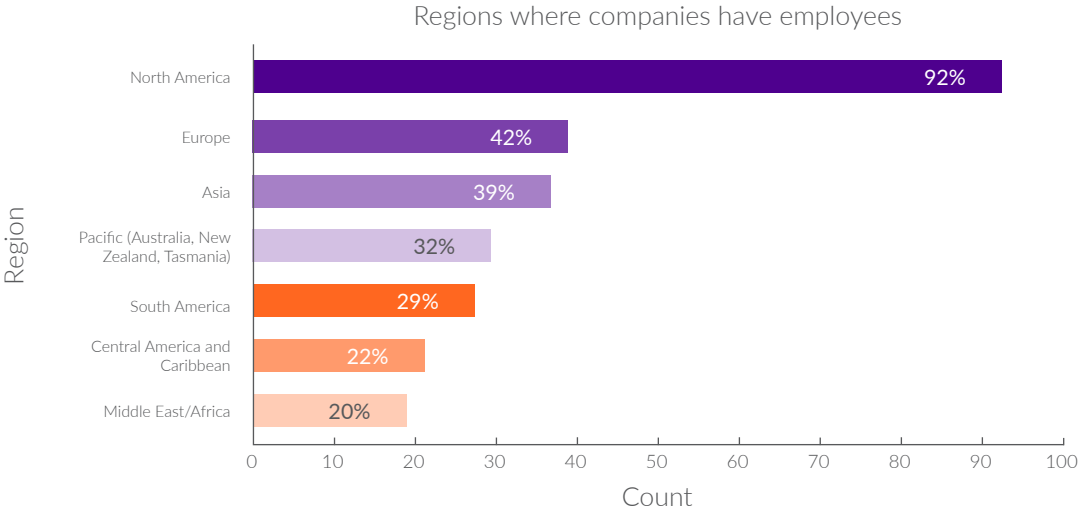


# Program Limitations

## Teams outside North America unlikely to access recognition and rewards program

One finding of our survey is the difference between where companies have offices and where they offer their recognition programs. One-third of organizations say their program is global. However, this chart shows the limitations of many programs. Despite almost half of organizations

having offices in Europe, less than one in 10 offer their recognition program to international staff. This can create internal conflict, as certain teams may feel excluded, especially if there is internal mobility between offices.



# Program Training

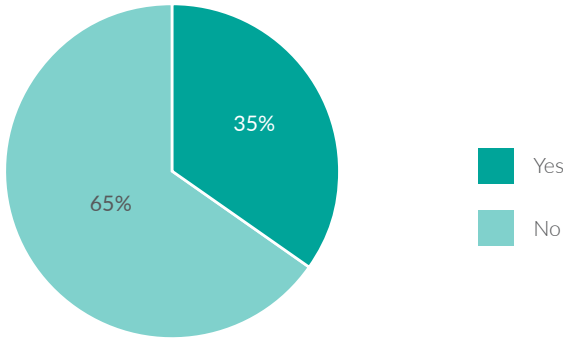
## Do companies train individual contributors to recognize?

Only a third (35%) of organizations train individual contributors to recognize. This was true for both local and global programs. This means two-thirds of individuals receive no training whatsoever in why, how, and when to recognize a peer. Considering the importance of peer-to-peer recognition and its role in driving program effectiveness, training individuals in recognition best practice will drive better peer recognition, and therefore higher program effectiveness.

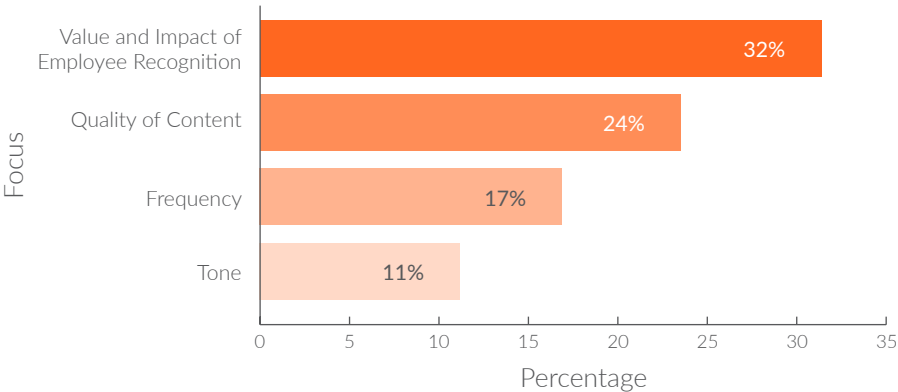
Of those organizations that do train employees, most train only when someone is hired, or when a program is launched. This means employees receive training just once in their time with a company. We know repetition is necessary for behaviors to stick, so employers are encouraged to find additional opportunities for training. This can be achieved by as incorporating recognition into existing schedules or having regular reminder sessions to reinforce the right process.

When recognition training is offered, it is largely focused on the value and impact of recognition, rather than on quality of content, frequency, or tone. We know that immediate, specific recognition is most effective, so training employees on how to offer this type of recognition is most likely to help drive a successful peer-to-peer recognition program.

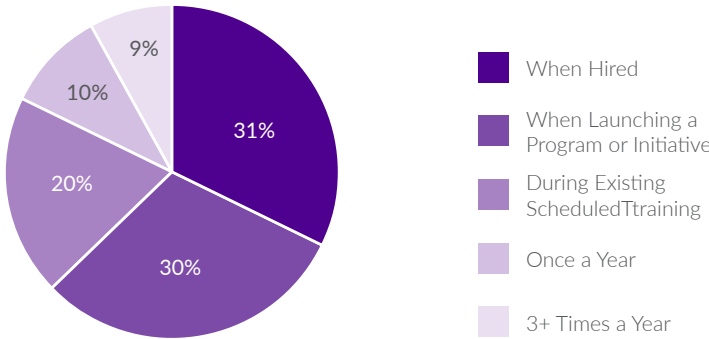
Do organizations train individual contributors?



Areas in which they train individual contributors



How often do they train individual contributors?



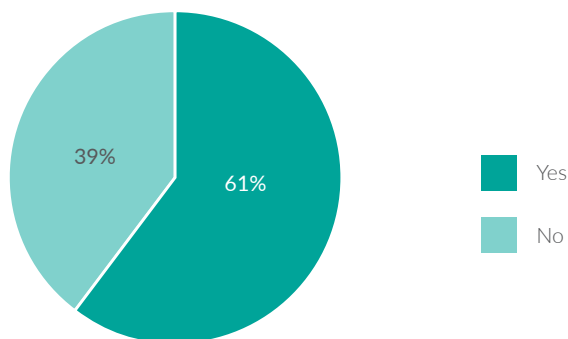
## Do companies train managers to recognize?

While comparatively more employers train managers than employees—more than half report that they offer recognition training to managers—the number is still lower than we would like to see. Frontline managers are a critical resource in sending recognitions, as well as encouraging and training their teams to do so effectively.

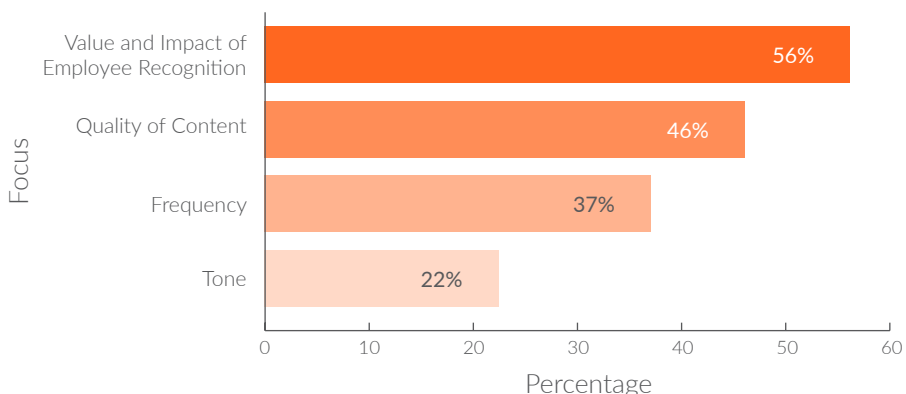
The good news is that most training is incorporated into ongoing manager training, suggesting it happens more than once in a manager's time with a company. Training also occurs when a new manager is hired and when a program is launched, with very few employers saying it happens once a year or more.

Once again, the majority of training is focused on the value and impact of recognition, although managers are more likely to get quality and frequency training, compared with individual contributors. While it is positive that these components are being included in some training, we're still seeing less than half of the 61 percent of organizations offering it. This means less than a third of all managers are being trained on the quality of recognition content or the importance of recognition frequency.

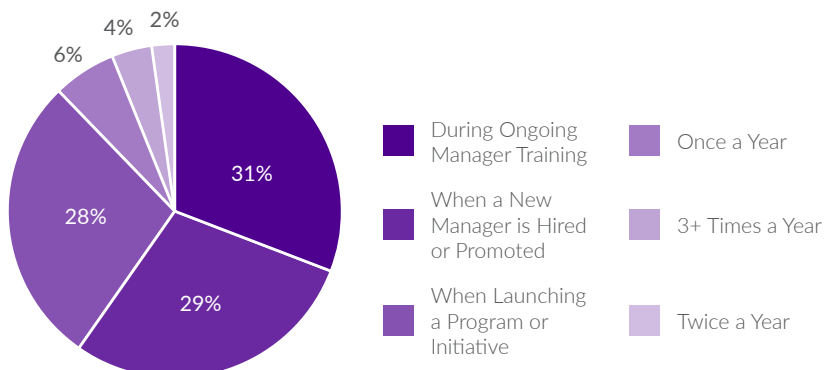
Do organizations train managers?



Areas in which they train managers



How often do they train managers?





# Recommendations

# Recommendations

1

## Encourage peer-to-peer recognition

The data shows that peer-to-peer recognition is a crucial tool in building an effective recognition program. Respondents who reported having peer-to-peer recognition components were more likely to rate their program as effective. Research shows peer recognition contributes to employee engagement and sense of belonging, which in turn boosts productivity and reduces turnover.

2

## Set objectives and measure for success

If you don't know what you're trying to achieve, then your recognition program is merely a "nice to have". Once you're measuring factors such as: engagement, participation, and recognition frequency, you can look for ways to move the needle in these areas. That's when you'll truly see results from your formal recognition programs.

3

## Offer consistent, ongoing training

Infrequent and inconsistent training won't reinforce the behaviors you need to drive an effective recognition program. Training at program launch and when new people join the company is necessary, and most organizations are offering this to managers. However, annual reminders and incorporating recognition best practices into regularly scheduled training will help keep it top of mind for all employees. This in turn means they will send better quality recognitions more often, helping to make your recognition program effective and impactful.

4

## Offer a single, unified global program

If you have offices around the world, we recommend offering a unified recognition program across different countries and regions. This encourages collaboration and team-building across borders, creating a united team working together to achieve larger objectives.

5

## Look for science-based recognition programs

As more and more organizations invest in recognition, it's critical to focus on the right type of recognition that is going to drive results. Done correctly, recognition is one of the biggest drivers of employee engagement, increasing productivity and reducing turnover. Factors such as non-monetary, frequency, and public recognition all play different roles in the success of a program.



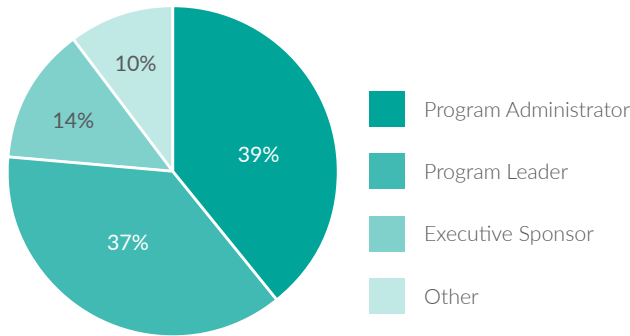


# About the Respondents

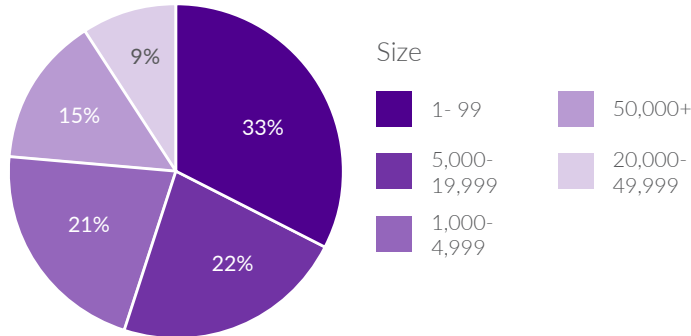
# About the Respondents

Achievers surveyed 89 organizations and the insights are based on the significance level of 0.05.

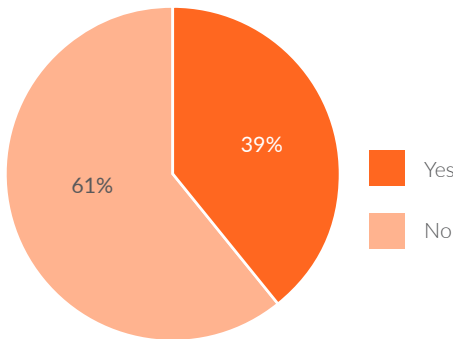
## Roles of participants



## Size of company



## Companies with global recognition programs



## About Workforce Institute

The Achievers Workforce Institute is the science and research arm of Achievers. It is known for making cutting edge workforce science accessible to leaders, guiding them in how employee recognition, employee voice, and manager empowerment drive business results.

Visit [achievers.com/workforce-institute](https://achievers.com/workforce-institute) to learn more and subscribe to our updates.



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

Achievers leverages the science behind behavior change, so your people and your organization 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 organization and an industry-best customer success and support team guides you on every step of the journey.

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