

# Trends in Employee Recognition

A Survey of  
WorldatWork  
Members  
April 2008

 research

  
**WorldatWork**  
The Total Rewards Association

## About WorldatWork



WorldatWork ([www.worldatwork.org](http://www.worldatwork.org)) is an association of human resource professionals from FORTUNE 500 and other leading organizations worldwide focused on attracting, motivating and retaining employees. Founded in 1955, WorldatWork provides practitioners with training and education to effectively design and implement strategies and practices in total rewards, including compensation, benefits, work-life, recognition, and career development. With offices in Scottsdale, Arizona and Washington, D.C., WorldatWork supports its 30,000 members and professionals in 75 countries with thought leadership, publications, research and community. WorldatWork administers certification through the WorldatWork Society of Certified Professionals.

*The WorldatWork group of registered marks includes: WorldatWork®, workspan®, Certified Compensation Professional or CCP®, Certified Benefits Professional® or CBP, Global Remuneration Professional or GRP®, Work-Life Certified Professional or WLCP™, WorldatWork Society of Certified Professionals®, and Alliance for Work-Life Progress® or AWLP®.*

*WorldatWork Journal, WorldatWork Press and Telework Advisory Group are part of the WorldatWork family.*

[www.worldatwork.org](http://www.worldatwork.org)

### Media Contact:

Marcia Rhodes  
14040 N. Northsight Blvd.  
Scottsdale, Arizona  
85260-3601

480/304-6885  
Toll free: 877/951-9191  
Fax: 480/483-8352  
[mrhodes@worldatwork.org](mailto:mrhodes@worldatwork.org)



©2008 WorldatWork Any laws, regulations or other legal requirements noted in this publication are, to the best of the publisher's knowledge, accurate and current as of this report's publishing date. WorldatWork is providing this information with the understanding that WorldatWork is not engaged, directly or by implication, in rendering legal, accounting or other related professional services. You are urged to consult with an attorney, accountant or other qualified professional concerning your own specific situation and any questions that you may have related to that.

No portion of this publication may be reproduced in any form without express written permission from WorldatWork.

# Trends in Employee Recognition 2008

A Survey of WorldatWork Members

## Introduction and Methodology

This report summarizes the findings from a WorldatWork survey comparing current trends and practices in employee recognition against findings from 2002, 2003 and 2005. WorldatWork also sought to gauge how employee retention is impacted by the most prevalent recognition programs.

In December 2007, surveys were sent electronically to a random representative sample of 4,617 WorldatWork members in the United States. There were a total of 554 responses received for a 12-percent response rate. A survey's margin of error is affected by type of sampling, sample size and the size of the total population. Because this survey employed a random sampling method, the total number of respondents and the total population is the WorldatWork membership of approximately 23,600. The survey's margin of error should not exceed +/- 3 percent.

The demographic profile of the survey's participants is similar to that of the WorldatWork membership as a whole. A typical WorldatWork member has at least five years of experience in human resources or compensation and is employed at the manager/assistant director level and above in the headquarters of a large company in North America. Respondent demographics are shown in Figures 30 and 31. Results of individual questions are presented in the "Detailed Survey Results" section.

## Summary of Key Findings

### Employee Recognition Still Prevalent

Employee recognition continues to be top of mind as employers use their total rewards toolkit to differentiate themselves as an employer of choice and/or solve for a variety of business challenges. Again in 2008, nearly nine in 10 responding organizations have employee recognition programs in place and only 7 percent are doing less recognition today than they were one year ago. Approximately 90 percent of organizations also continue all of their existing recognition programs from year to year and more than half of organizations say they are planning for new programs in the coming year (See Section I).

### Variety is the Key to Recognition

Organizations have different needs; some need to increase retention in a specific business unit or type of job while others need to support innovative thinking. One organization may find that recognition will help it address a very specific individual performance issue, while another may determine that an overall culture of recognition will better contribute to organizational success. And yet another company may seek to

accomplish all of the above by offering a full pallet of recognition opportunities. What's common among all organizations is the challenge to satisfy a variety of intrinsic and extrinsic employee needs in order to attract, motivate and retain a talented, productive workforce, which is a key to business success.

But not all employees are motivated in the same way and not all recognition programs serve the same purpose. Fortunately, most organizations understand this concept, as trending data continues to show that the organizations that have recognition programs in place typically utilize more than one type of program.

About 70 percent of surveyed organizations offer both formal and informal recognition programs, catering to a diverse workforce motivated by different types of recognition (See Figure 5). Some types of programs are more common than others though: companywide programs are in place at 91 percent of organizations, whereas only about half utilize department or unit-specific programs (See Figure 6).

The most common recognition programs continue to be *length-of-service* (86 percent) and *above and beyond performance* (79 percent) programs. A new program included in the survey this year was *peer-to-peer* programs, which revealed that more than four in every 10 companies are encouraging workers to acknowledge the achievements of others (See Figure 7).

### Employee Retention is Secondary to Performance and Culture-Related Recognition Goals

The objectives of recognition programs are varied, but for the first time this survey took a closer look at the impact that individual recognition programs have on employee retention, in particular. *Sales performance* recognition was rated as the program having the greatest impact on retention with 90 percent saying it has at least a moderate impact. *Above and beyond performance programs* and *programs to motivate specific behaviors* are also shown to have an impact on employee retention at most organizations. The other eight programs shown in Figure 10 however are perceived to have little to no impact on retention by many organizations. So, if employee retention is not the primary goal of recognition, what is?

Creating a positive work environment, motivating high performance and creating a culture of recognition are the most common recognition program objectives (See Figure 15). While it is clear that organizations are looking to achieve multiple goals with recognition programs, this variety still can be categorized into two main themes: performance and/or culture-related. Most recognition is intended to improve individual or team performances and/or improve the organizational culture. It is not surprising then that many prevalent programs are not perceived to have a particularly high impact on employee retention, because they are not necessarily in place to address that challenge.

## Recognition Awards and Delivery Methods Remain Consistent

There has been little change to the types of tangible recognition awards presented to employees during the last six years. Certificates or plaques commemorating the achievement or milestone continue to top the list, with cash and gift certificates rounding out the top three (See Figure 27). These awards are relevant for a variety of different types of programs and can be tailored to suit the individual program specifications and/or employee preferences, and managers have a great deal of flexibility in how they issue these rewards.

Nearly two-thirds of organizations deliver some recognition in a one-on-one format with a manager or supervisor, and more than half are taking advantage of the opportunity to publicly praise and reward employees at special events and staff meetings. A personal touch seems to be the common factor among the methods most used; only 28 percent use a company intranet (See Figure 28).

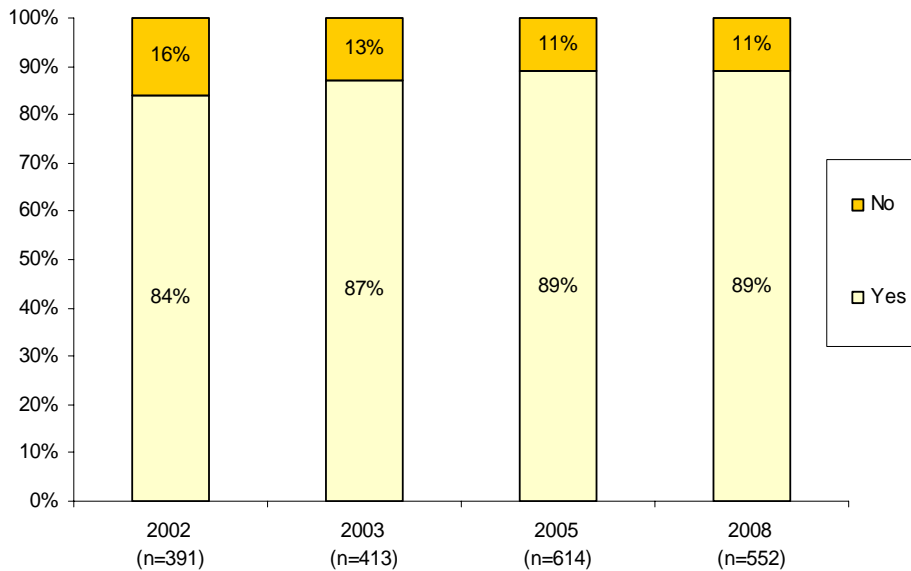
## Detailed Survey Results

Detailed survey results are presented in five sections:

- I. General
- II. Types of Programs Offered
- III. Program Strategy and Measures
- IV. Program Administration
- V. Communication and Training

### Section I. General

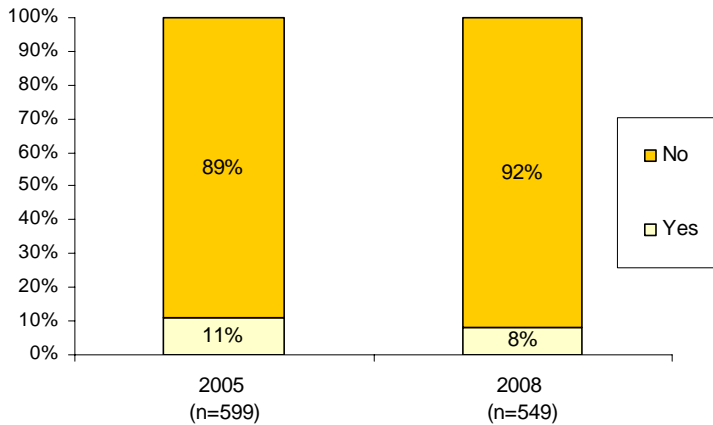
**Figure 1:** “Does your organization currently have recognition programs in place?”



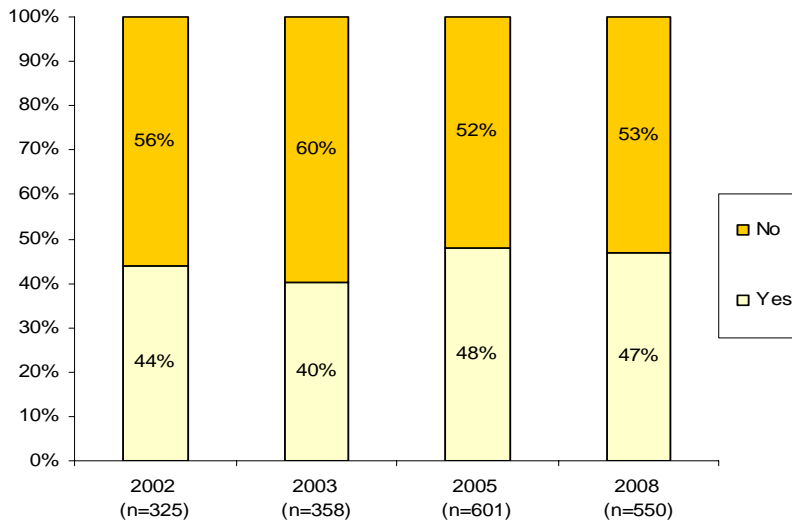
**Figure 2:** “Is there more or less recognition occurring (either formally or informally) in your organization today versus 12 months ago?”

	2003 (n=358)	2005 (n=599)	2008 (n=551)
More than 12 months ago	40%	40%	35%
Less than 12 months ago	12%	8%	7%
About the same as 12 months ago	48%	52%	58%

**Figure 3:** “Have you eliminated any recognition programs in the past 12 months?”



**Figure 4:** “Are you considering implementing any new or additional recognition programs in the next 12 months?”



## Section II. Types of Programs Offered

**Figure 5:** “What types of recognition programs are included in your recognition strategy?”

	2002 (n=327)	2003 (n=358)	2005 (n=535)	2008 (n=505)
Formal only	17%	16%	19%	21%
Informal only	10%	9%	9%	9%
Both	70%	72%	71%	69%
Other	3%	3%	1%	0%

**Figure 6:** “What type(s) of recognition programs are in place in your company?”

	<b>2003</b> (n=358)	<b>2005</b> (n=537)	<b>2008*</b> (n=501)
Companywide	43%	38%	91%
Department-specific	5%	7%	54%
Both companywide and department specific	49%	52%	n/a
Other	3%	3%	4%

\*In 2008, respondents were not given a “Both” answer option but instead were allowed to select all answers that apply. In prior years, about half of respondents indicated their company has both companywide and department-specific recognition programs. It should be noted that the increase in percentages in 2008 reflect the change in the question format rather than a major shift of practices.

**Figure 7:** “Do you offer these type(s) of recognition programs?”

	<b>2003</b>	<b>2005</b>	<b>2008</b>
Length of service (n=507)	87%	89%	86%
Above and beyond performance (n=500)	85%	87%	79%
Peer-to-peer (n=504)	n/a	n/a	42%
Retirement (n=505)	n/a	51%	41%
Sales performance (n=504)	43%	51%	38%
Employee of the year, month, etc. (n=500)	29%	36%	32%
Programs to motivate specific behaviors (n=501)	n/a	n/a	25%
Safety performance (n=507)	28%	33%	25%
Suggestions/ideas (n=498)	36%	41%	24%
Major family event (n=504)	n/a	n/a	19%
Attendance (n=503)	20%	22%	16%

n/a – Not an answer option in the respective year.

Note: N reflects 2008 data only.

**Figure 8:** “How long has each program been in place?”

	<b>Less than 12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Retirement (n=209)	1%	8%	90%
Length of service (n=434)	2%	11%	87%
Safety performance (n=127)	6%	28%	66%
Sales performance (n=191)	5%	29%	66%
Major family event (n=108)	7%	30%	63%
Attendance (n=94)	15%	26%	60%
Employee of the year, month, etc. (n=167)	10%	35%	56%
Suggestions/ideas(n=119)	13%	37%	50%
Above and beyond performance (n=396)	5%	48%	47%
Programs to motivate specific behaviors (n=136)	12%	47%	41%
Peer-to-peer (n=214)	9%	51%	39%

Note: N reflects 2008 data only.

**Figure 9:** “For the programs your organization offers, what percentage of your employees were recognized in the past 12 months within each program?”

	2002	2003	2005	2008
Safety performance (n=81)	24%	21%	16%	28%
Programs to motivate specific behaviors (n=95)	n/a	n/a	n/a	27%
Major family event (n=71)	n/a	n/a	n/a	26%
Length of service (n=387)	29%	28%	25%	25%
Attendance (n=73)	19%	26%	16%	25%
Peer-to-peer (n=149)	n/a	n/a	n/a	24%
Above and beyond performance (n=318)	21%	21%	19%	19%
Sales performance (n=138)	13%	22%	14%	17%
Suggestions/ideas (n=75)	10%	11%	7%	13%
Retirement (n=140)	n/a	n/a	11%	9%
Employee of the year, month, etc. (n=133)	6%	10%	6%	8%

n/a – Not an answer option in the respective year.

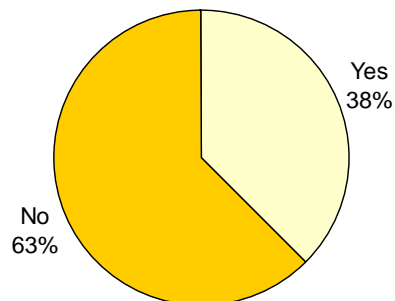
Note: N reflects 2008 data only.

**Figure 10:** “What degree of impact do you feel this program has on employee retention?”

	No impact	Low impact	Moderate impact	High impact
Sales performance (n=177)	2%	8%	39%	51%
Above and beyond performance (n=372)	3%	19%	51%	27%
Programs to motivate specific behaviors (n=117)	5%	12%	56%	27%
Safety performance (n=115)	8%	26%	39%	27%
Peer-to-peer (n=194)	9%	25%	51%	16%
Retirement (n=194)	22%	30%	34%	14%
Major family event (n=90)	11%	34%	41%	13%
Employee of the year, month, etc. (n=166)	10%	37%	40%	13%
Length of service (n=413)	11%	37%	41%	10%
Attendance (n=115)	18%	31%	41%	10%
Suggestions/ideas (n=105)	18%	42%	31%	10%

n/a – Not an answer option in the respective year.

**Figure 11:** “Does your organization have employees outside North America? (n=469)”

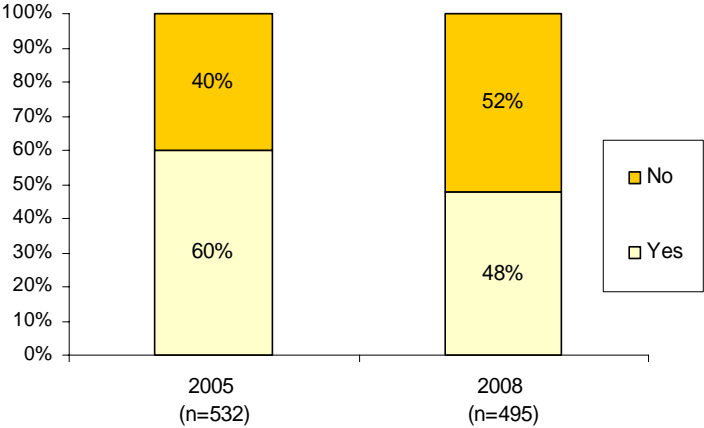


**Figure 12:** “If yes, which of the following best describes the recognition programs for these employees?” (n=169)

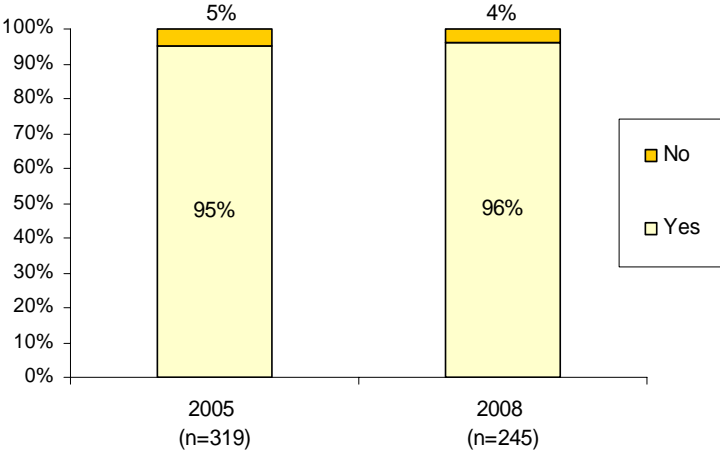
International/global employees participate in <u>all or most of the same recognition programs</u> as North America-based employees	39%
International/global employees participate in <u>a few of the same recognition programs</u> as North America-based employees	10%
International/global employees participate in <u>some of their own programs and some of the same programs</u> as North America-based employees	27%
International/global employees <u>have their own recognition programs</u>	19%
International/global employees <u>do not currently participate in any recognition programs</u>	5%

**Section III. Program Strategy and Measures**

**Figure 13:** “Is there a written strategy behind your organization’s recognition programs (e.g., why they were created, goals, etc.)?”



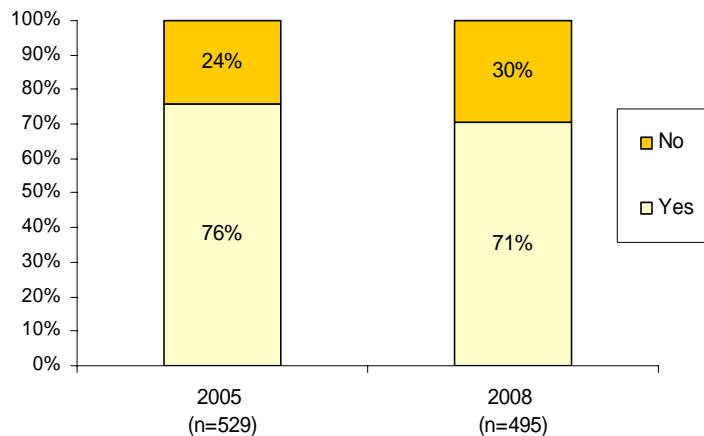
**Figure 14:** “Does your recognition strategy align with your organization’s strategy?”



**Figure 15:** “What are the objectives/goals of your organization’s recognition programs?”

	2002 (n=327)	2003 (n=356)	2005 (n=528)	2008 (n=495)
Create a positive work environment	84%	80%	81%	77%
Motivate high performance	73%	75%	75%	71%
Create a culture of recognition	n/a	n/a	70%	69%
Recognize years of service	n/a	n/a	n/a	69%
Increase morale	n/a	71%	38%	68%
Reinforce desired behaviors	76%	75%	71%	61%
Support organizational mission/values	68%	66%	62%	55%
Increase retention or decrease turnover	51%	51%	49%	51%
Support becoming/remaining an employer of choice	n/a	n/a	n/a	43%
Encourage loyalty	45%	45%	65%	42%
Provide line-of-sight to company goals	n/a	n/a	n/a	26%
Support a culture change	23%	24%	23%	20%
Other	9%	5%	3%	2%

n/a – Not an answer option in the respective year.

**Figure 16:** “Do you feel your programs are meeting the objectives/goals?”**Figure 17:** “What measurements for success do you use in your recognition programs?”

	2005 (n=530)	2008 (n=492)
Employee satisfaction surveys	45%	43%
We do not measure success of the programs	36%	36%
Number of nominations	31%	28%
Turnover	20%	26%
Usage rates and/or participation rates	32%	25%
Productivity	15%	15%
Customer surveys	15%	15%
Return on investment (ROI)	9%	8%

## Section IV. Program Administration

**Figure 18:** “What department is responsible for administering the majority of your organization’s recognition programs?”

	2003 (n=356)	2005 (n=535)	2008 (n=499)
Human Resources	48%	57%	58%
Compensation	12%	11%	14%
Each department in the organization is responsible for their own recognition program administration	15%	15%	11%
Organizational Development	1%	3%	3%
Benefits	3%	3%	3%
Corporate Communications	3%	2%	2%
Training	n/a	1%	1%
Other	19%	8%	8%

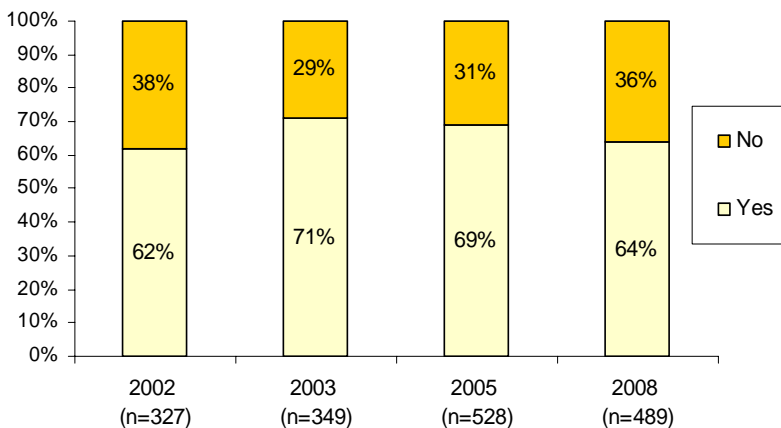
n/a – Not an answer option in the respective year.

**Figure 19:** “What position is responsible for administering the recognition program(s)?”

	2003 (n=307)	2005 (n=523)	2008 (n=464)
No one position is responsible for the program, it is a shared responsibility among the department personnel	42%	52%	56%
Position within department above dedicated part-time*	36%	26%	24%
Full-time dedicated position(s)**	14%	16%	14%
Other	8%	6%	6%

\*Employees who work part-time on the administration of recognition programs on average spend 14 percent of their workweek administering these programs.

\*\*The average number of full-time positions responsible for administering recognition programs when an organization has at least one full-time position dedicated to recognition is 1.9.

**Figure 20:** “Is there a budget for your recognition programs?”

The average percent of payroll budgeted for recognition programs is 2.7 percent.

**Figure 21:** “The recognition budget is...”

	<b>2003</b> (n=244)	<b>2005</b> (n=399)	<b>2008</b> (n=339)
Centralized for the entire organization	62%	40%	43%
Centralized or department-specific	n/a	37%	30%
Held in each specific departmental budget	38%	23%	27%

n/a – Not an answer option in the respective year.

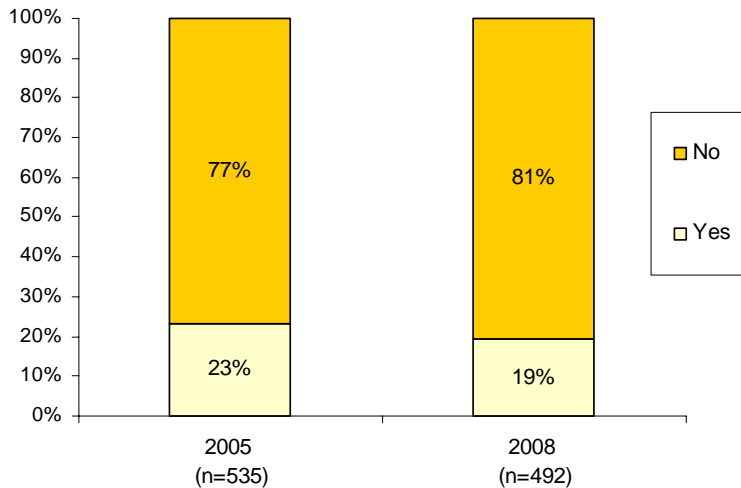
**Section V. Communication and Training**

**Figure 22:** “What media do you use to communicate your recognition programs?”

	<b>2002</b> (n=288)	<b>2003</b> (n=354)	<b>2005</b> (n=537)	<b>2008</b> (n=493)
E-mail	n/a	n/a	n/a	61%
Internet/intranet	73%	76%	n/a	56%
Company newsletter	65%	57%	53%	42%
Employee orientation	56%	57%	46%	40%
Employee handbook	35%	33%	30%	27%
Posters, fliers and/or table tents	n/a	n/a	36%	27%
We do not have a communications plan for our recognition programs	10%	n/a	10%	10%
Other	25%	24%	10%	9%

n/a – Not an answer option in the respective year.

**Figure 23:** “Do you have a formal training program for managers about your recognition programs?”



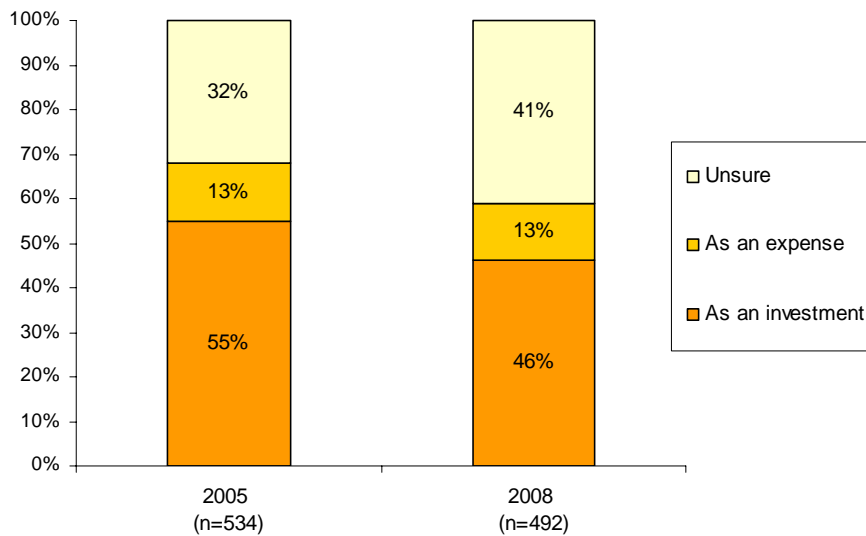
**Figure 24:** “What formal training methods do you use to train your managers?”

	2002 (n=329)	2003 (n=112)	2005 (n=124)	2008 (n=94)
In-person training session	76%	75%	69%	80%
Handbook	42%	36%	36%	34%
Online education	34%	21%	36%	32%
Video	6%	10%	8%	7%
Other	10%	12%	17%	7%

**Figure 25:** “What level of support do you feel your organization’s senior management team shows for your recognition?”

	2003 (n=357)	2005 (n=534)	2008 (n=487)
1 No support at all	1%	1%	2%
2	4%	5%	5%
3	8%	10%	13%
4	16%	17%	19%
5	22%	19%	25%
6	26%	30%	20%
7 High level of support	23%	19%	16%

**Figure 26:** “Which of the following best describes how senior management in your organization views employee recognition programs?”



**Figure 27:** “What type of items are presented as recognition awards?”

	2002 (n=328)	2003 (n=358)	2005 (n=535)	2008 (n=494)
Certificates and/or plaques	n/a	75%	81%	78%
Cash (Not pay-for-performance or compensation)	58%	63%	58%	60%
Gift certificates for product purchases	63%	57%	57%	51%
Company logo merchandise	n/a	51%	57%	46%
Food (breakfast, lunch, pizza party, etc.)	n/a	n/a	n/a	42%
Timepieces (e.g., watches, clocks, etc.)	28%	33%	21%	30%
Jewelry (e.g., necklaces, lapel pins, bracelets, etc.)	40%	43%	44%	28%
Household items (e.g., crystal, vases, china, etc.)	35%	34%	38%	26%
Office accessories (e.g., desk sets, portfolios, pen/pencil sets, etc.)	41%	41%	38%	25%
Electronics (e.g., cameras, TVs, stereos, etc.)	24%	24%	28%	21%
Recreational items/sporting goods	n/a	n/a	29%	19%
Gift certificates for personal services (e.g., spa treatments, maid service, etc.)	n/a	26%	25%	17%
Travel	14%	17%	21%	15%
Other	31%	23%	8%	11%

n/a – Not an answer option in the respective year.

**Figure 28:** “How are recognition awards presented?”

	2002 (n=289)	2003 (n=355)	2005 (n=528)	2008 (n=494)
One-on-one with manager	63%	69%	67%	63%
Special event (e.g., banquet, luncheon, etc.)	65%	63%	70%	57%
Staff meeting	59%	59%	60%	53%
Companywide meeting	33%	37%	36%	38%
Intranet announcement	n/a	n/a	n/a	28%
Not presented (e.g., mailed to recipient at work or home)	n/a	7%	10%	8%
Other	11%	10%	3%	11%

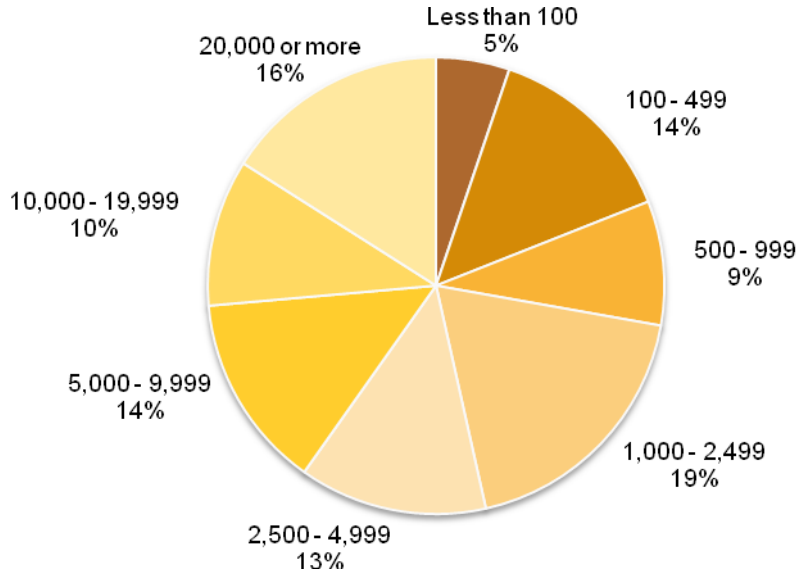
n/a – Not an answer option in the respective year.

**Figure 29:** “Do any of your recognition programs utilize electronic media or communication (e.g., Internet/intranet) for any of the following?”

	2002 (n=318)	2003 (n=346)	2005 (n=518)	2008 (n=470)
Program communication	72%	40%	54%	55%
Award nomination	49%	29%	42%	44%
Award ordering	61%	35%	43%	42%
Program administration	38%	24%	36%	37%
Program reporting and/or tracking	32%	19%	33%	30%
None of our programs utilize the Internet/intranet	53%	n/a	27%	23%
Program training	n/a	10%	12%	10%

n/a – Not an answer option in the respective year.

## Section VI. Respondent Demographics

**Figure 30:** Organization's Size (n=443)**Figure 31:** Industry

	<b>2008</b> (n=446)
Manufacturing	15.5%
Finance & Insurance	13.9%
Health-care & Social Assistance	10.3%
Professional, Scientific & Technical Services	7.8%
Information	5.4%
Other Services (except Public Administration)	5.2%
Retail Trade	4.7%
Public Administration	4.5%
Utilities	4.3%
Educational Services	2.9%
Transportation & Warehousing	2.0%
Wholesale Trade	2.0%
Arts, Entertainment & Recreation	1.8%
Accommodations & Food Services	1.1%
Real Estate & Rental & Leasing	1.1%
Construction	0.9%
Administrative & Support & Waste Management & Remediation Services	0.4%
Agriculture, Forestry, Fishing & Hunting	0.2%
Management of Companies & Enterprises	0.2%
Mining	0.2%
Other	15.6%

