



# SHRM Survey Findings: Employee Recognition Programs— 2015

In collaboration with and commissioned by Globoforce



The Society for Human Resource Management (SHRM<sup>®</sup>), the world's largest association devoted to human resource management, has collaborated with Globoforce<sup>®</sup> on a series of surveys about employee recognition. Our goal is to elicit trends among HR leaders and practitioners about what challenges they face and what strategies help them conquer those challenges. This March, we surveyed over 800 HR professionals in organizations with 500 or more employees and asked them to share their experiences and practices.

View previous studies from this series:

[Employee Recognition Programs, Spring 2013](#)

[Employee Recognition Programs, Fall 2012](#)

[Employee Recognition Programs, Winter 2012](#)

[Employee Recognition Programs, Summer 2011](#)

- Employee retention/turnover (40%) and employee engagement (39%) were cited as the most important organizational challenges currently faced by HR professionals. A successful employee recognition program may have an impact on employee retention, turnover and engagement. It is important to track the effectiveness of employee recognition efforts in these areas.
- HR professionals at organizations with values-based recognition programs were more likely to rate their recognition efforts highly. Overall, 80% of respondents indicated their organization had an employee recognition program. Over one-half (58%) had a program that was tied to their organization's values, and at those organizations, 78% of HR professionals rated their program as excellent or good compared with 41% of respondents at organizations where the program was not tied to organizational values.
- HR professionals at organizations with values-based recognition programs were more likely to perceive positive effects from their recognition programs. Many HR professionals agreed that their employee recognition programs resulted in the following outcomes (the level of agreement was higher for organizations with values-based employee recognition programs): had a positive impact on employee engagement (90% values-based vs. 67% nonvalues-based), increased employee happiness (86% vs. 70%), added humanity to the workplace (85% vs. 70%), improved employee relationships (84% vs. 66%), and helped the organization instill and reinforce corporate values in its employees (88% vs. 42%).

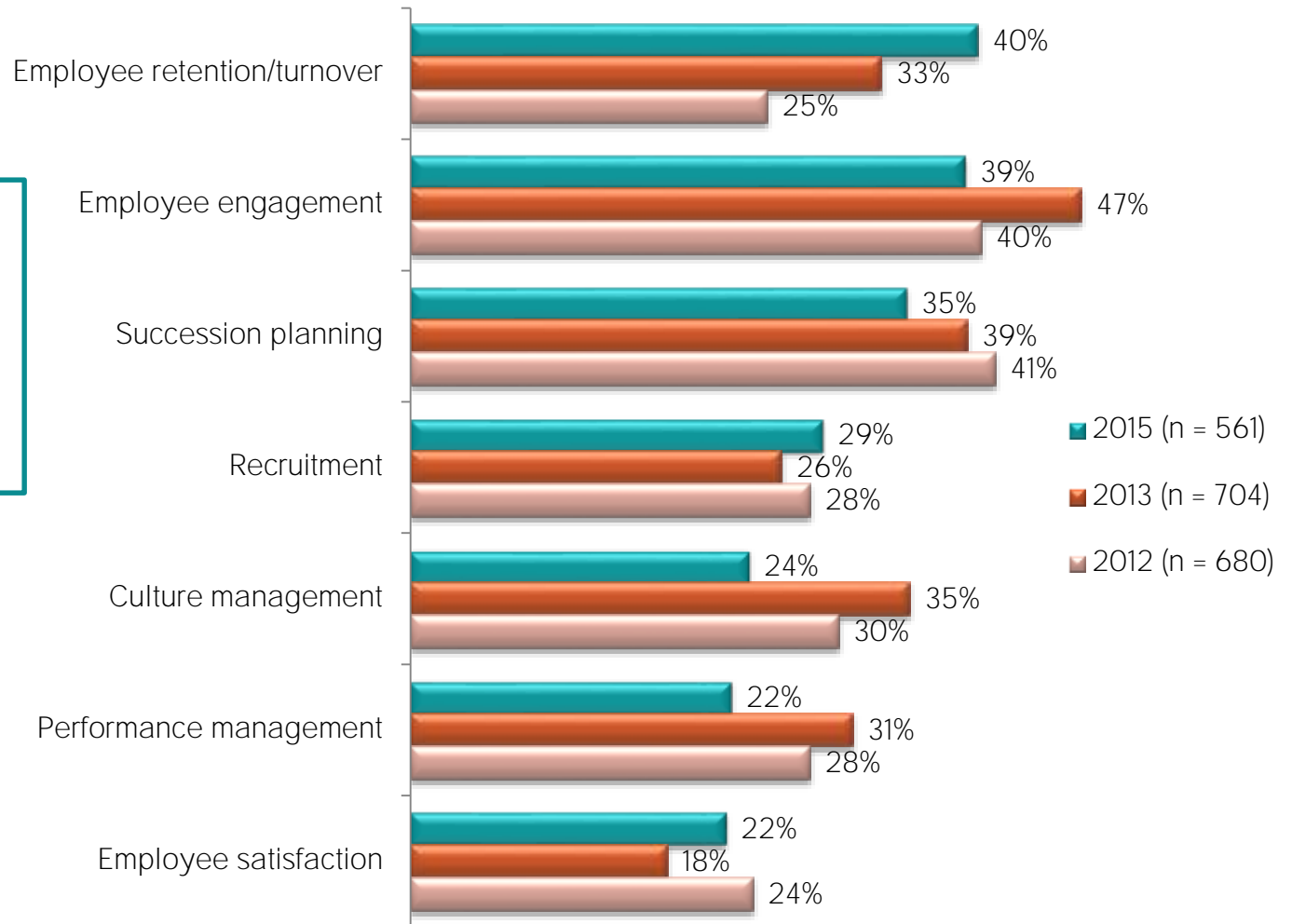
- Who can nominate or recognize employees? At three-quarters of organizations (74%), anyone could nominate or recognize a colleague. Other organizations were most likely to allow supervisors/managers (20%) or senior-level executives (14%) to nominate or recognize employees.
  - » Large organizations (2,500 or more employees) were more likely than midsize organizations (500 to 2,499 employees) to allow anyone to nominate or recognize employees.
- Do organizations use gamification or rely strongly on eThanks for employee recognition? Few organizations used leaderboards, rankings or badges—gamification techniques that promote competition by tracking progress or accomplishments (12%)—or relied strongly on eThanks—an electronic card or automated e-mail without an associated reward (13%).
  - » Large organizations (2,500 or more employees) were more likely than midsize organizations (500 to 2,499 employees) to rely strongly on eThanks.

## What Do These Findings Mean for the HR Profession?

- Most HR professionals are likely to focus on refining their recognition strategies to ensure they align with their values and to help retain top talent. Organizations that do not currently have employee recognition programs may consider adding them due to a more active hiring environment and the positive effects these programs have on employee engagement and employee happiness.
- Sharing the strong positive outcomes of employee recognition programs with organizational leadership can help HR professionals make a case to add such programs, especially because their associated costs appear to be relatively low.
- Recognition by senior organizational leaders can be one way to strengthen employees' perceptions of the level of respect for employees at all levels and improve trust between employees and senior management—two factors that SHRM research shows are critical to employee job satisfaction.
- As in all areas of HR, demonstrating a return on investment will continue to be a key component of any employee recognition strategy.
- HR professionals will need to ensure their employee recognition strategies do not inadvertently have a negative impact on organizational culture. Potential problems are inadequate reward selection, the program is not impactful for employees or an inconsistent experience among employees.

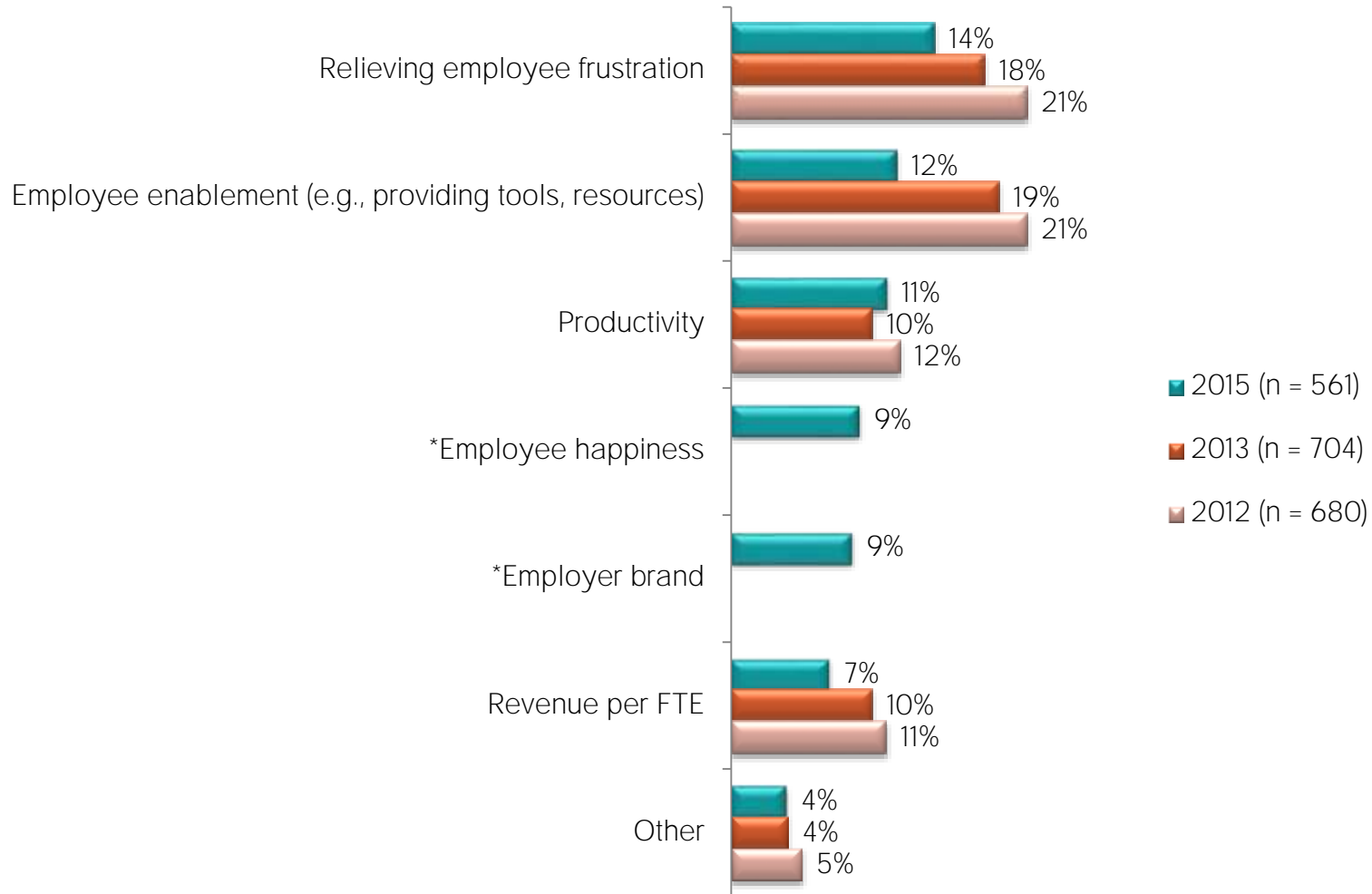
# Most Important Challenges HR Professionals Face in Their Organization

A successful employee recognition program could help organizations address many of the top challenges faced by HR professionals.



Note: Percentages do not total 100% due to multiple response options. An asterisk (\*) indicates this response option was not available in 2013. Only organizations with an employee recognition and service anniversary program were asked this question.

# Most Important Challenges HR Professionals Face in Their Organization (continued)

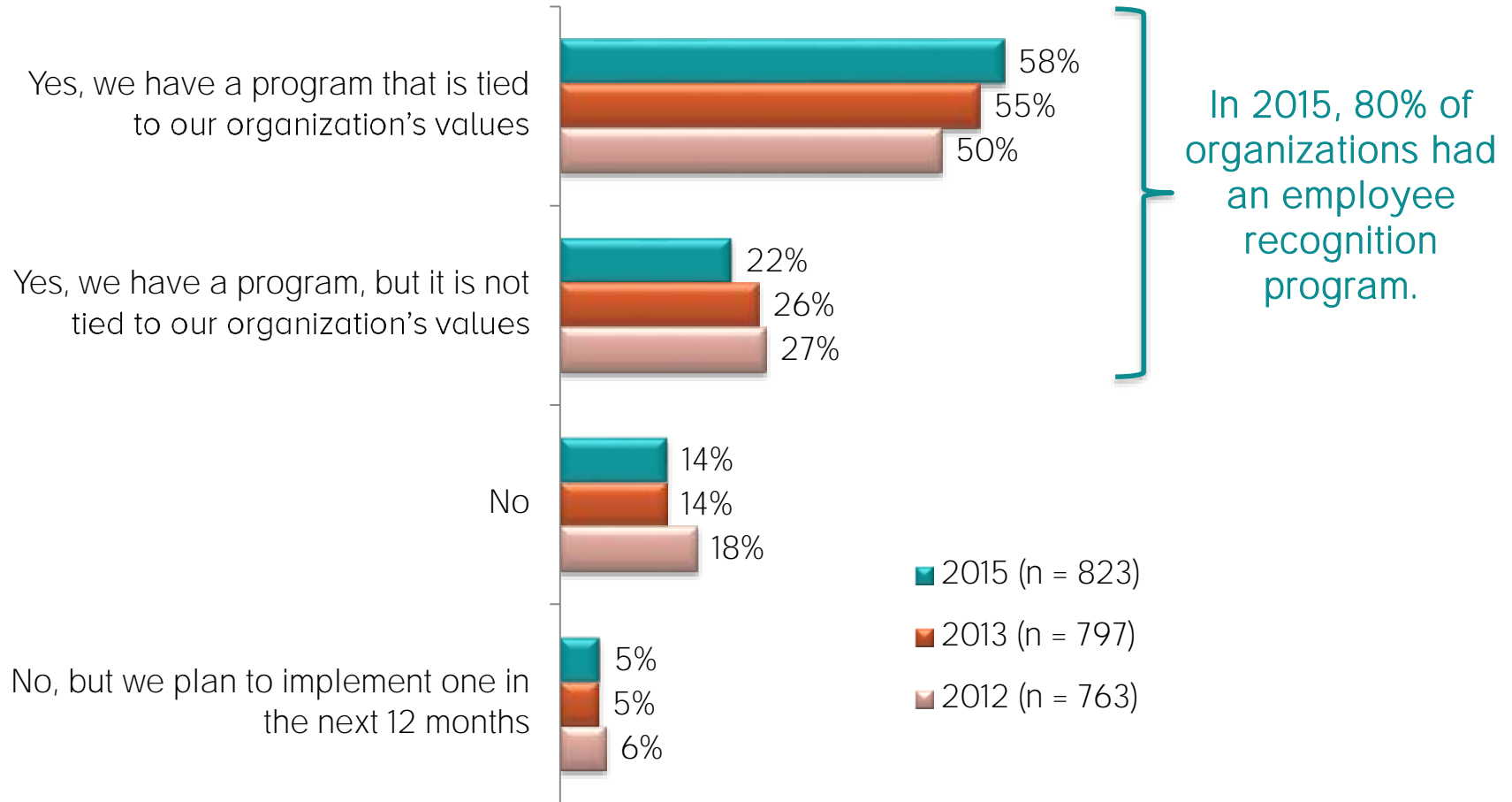


Note: Percentages do not total 100% due to multiple response options. An asterisk (\*) indicates this response option was not available in 2013. Only organizations with an employee recognition and service anniversary program were asked this question.

# Employee Recognition Programs



# Prevalence of Employee Recognition Programs



Note: n = 823. Percentages may not total 100% due to rounding.

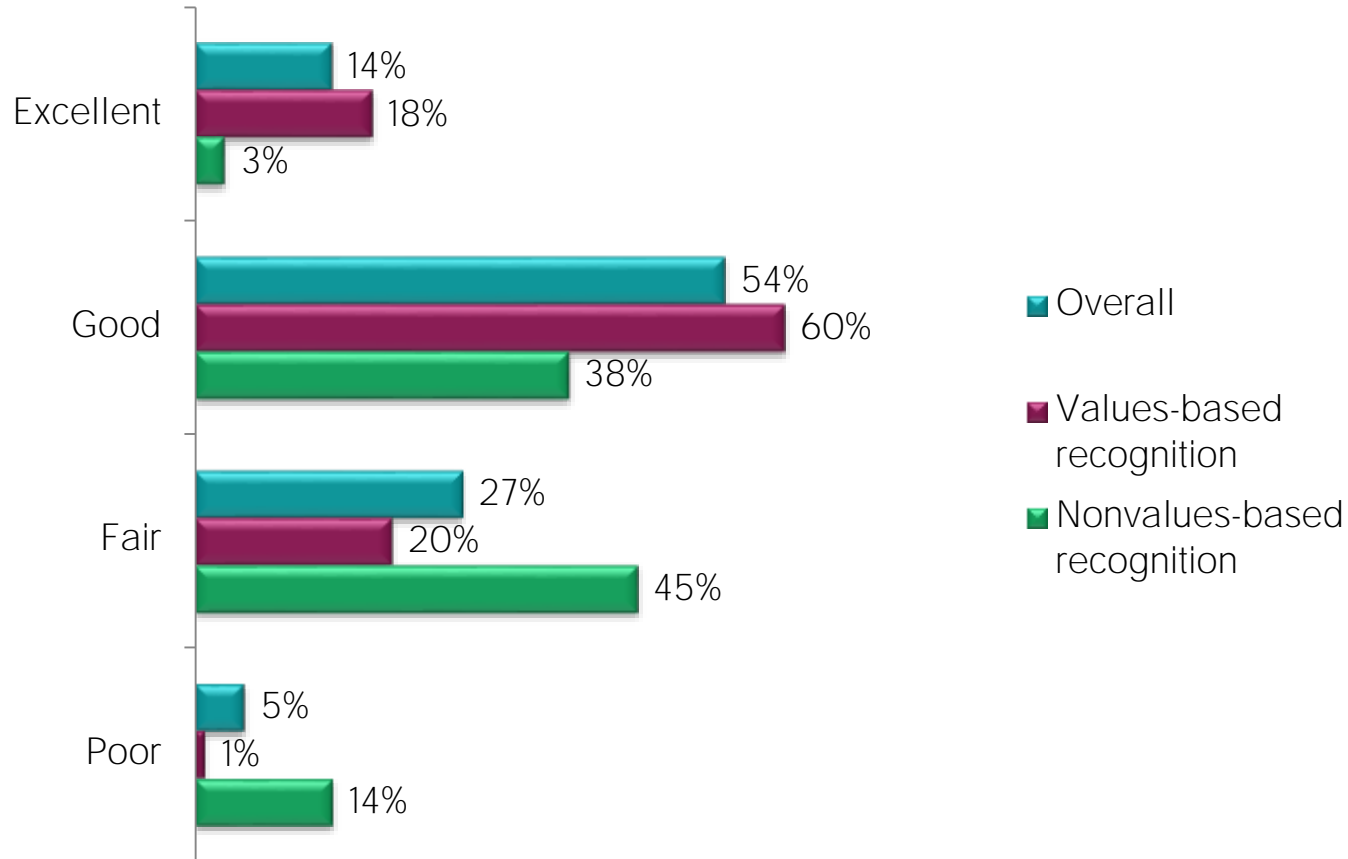
## Comparisons by organization staff size

- Organizations with 2,500 or more employees were more likely than organizations with 500 to 2,499 employees to have an employee recognition program.

Comparisons by organization staff size		
2,500 to 24,999 employees (82%) 25,000 or more employees (88%)	>	500 to 2,499 employees (74%)

*Note: Only statistically significant differences are shown.*

# HR Professionals' Rating of Organization's Employee Recognition Efforts



*Note: n = 662. Only respondents whose organizations had an employee recognition program were asked this question. All differences between values-based and nonvalues-based recognition are statistically significant. Percentages may not total 100% due to rounding.*

Impact	Overall	Values-based	Nonvalues-based
Has a positive impact on employee engagement	83%	90%	67%
Increases employee happiness	82%	86%	70%
Adds humanity to the workplace	81%	85%	70%
Improves employee relationships	79%	84%	66%
Helps the organization instill and reinforce corporate values in its employees	75%	88%	42%
Helps the organization retain its employees	61%	68%	41%
Increases employee productivity	56%	65%	33%
Helps maintain a stronger employer brand	55%	66%	28%
Delivers a strong return on investment	48%	57%	23%

*Note: n = 641-645. Responses are the percentage that indicated "Yes" to each option. All differences between values-based and nonvalues-based recognition are statistically significant.*

## HR Professionals' Perceived Impacts of Employee Recognition Program on the Organization (continued)

Impact	Overall	Values-based	Nonvalues-based
Has a positive impact on the organization's financial results	45%	53%	24%
Provides data that help in culture management	40%	48%	20%
Helps the organization meet safety goals	33%	37%	23%
Helps the organization meet sustainability or cost-control goals	30%	36%	14%
Helps the organization attract new job candidates	25%	30%	9%
Helps meet learning and development goals	25%	31%	11%
Helps the organization meet health and wellness goals	24%	29%	13%
Provides data that help in succession planning	23%	28%	10%

*Note: n = 636-641. Responses are the percentage that indicated "Yes" to each option. All differences between values-based and nonvalues-based recognition are statistically significant.*

## Comparisons by organization staff size

- Organizations with 500 to 2,499 employees were more likely than organizations with 25,000 or more employees to indicate that their employee recognition program increased employee happiness.

Comparisons by organization staff size: <i>Increases employee happiness</i>		
500 to 2,499 employees (85%)	>	25,000 or more employees (74%)

- Organizations with 25,000 or more employees were more likely than organizations with 500 to 2,499 employees to indicate that their employee recognition program helped maintain a stronger employer brand.

Comparisons by organization staff size: <i>Helps maintain a stronger employer brand</i>		
25,000 or more employees (68%)	>	500 to 2,499 employees (52%)

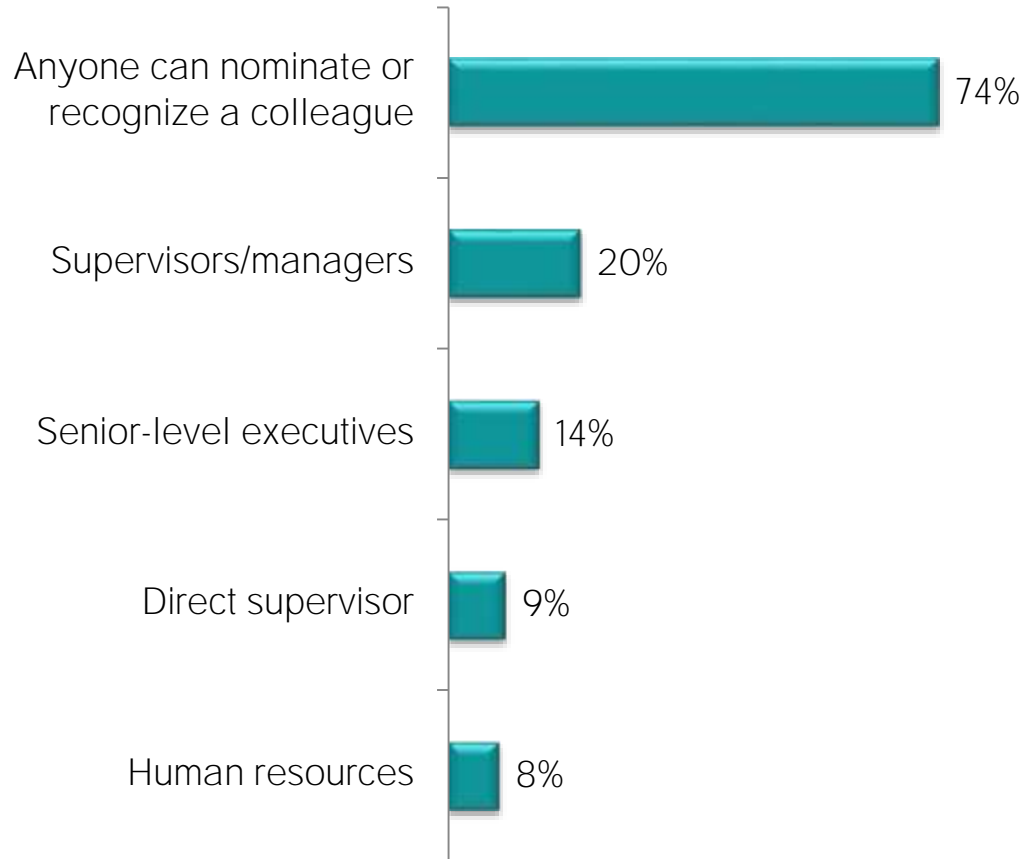
## Comparisons by organization sector

- Privately owned for-profit organizations were more likely than nonprofit and government organizations to indicate that their employee recognition program increased employee productivity.

Comparisons by organization sector: <i>Increases employee productivity</i>		
Privately owned for-profit (65%)	>	Nonprofit (47%) Government (42%)

*Note: Only statistically significant differences are shown.*

# Types of Employees Who Can Nominate or Recognize Employees



*Note: n = 660. Note: Percentages do not total 100% due to multiple response options. Respondents indicating "Anyone can nominate or recognize a colleague" were excluded from the other response options.*

## Comparisons by organization staff size

- Organizations with 2,500 or more employees were more likely than organizations with 500 to 2,499 employees to allow anyone to nominate or recognize a colleague.

Comparisons by organization staff size: <i>Anyone</i>		
2,500 to 24,999 employees (80%) 25,000 or more employees (83%)	>	500 to 2,499 employees (65%)

- Organizations with 500 to 2,499 employees were more likely than organizations with 2,500 or more employees to allow supervisors/managers to nominate or recognize employees.

Comparisons by organization staff size: <i>Supervisors/managers</i>		
500 to 2,499 employees (27%)	>	2,500 to 24,999 employees (16%) 25,000 or more employees (14%)

- Organizations with 500 to 2,499 employees were more likely than organizations with 2,500 to 24,999 employees to allow human resources to nominate or recognize employees.

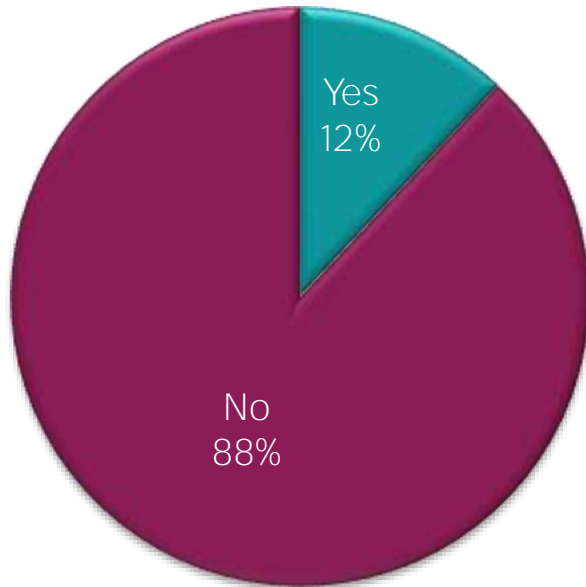
Comparisons by organization staff size: <i>Human resources</i>		
500 to 2,499 employees (10%)	>	2,500 to 24,999 employees (3%)

*Note: Only statistically significant differences are shown.*



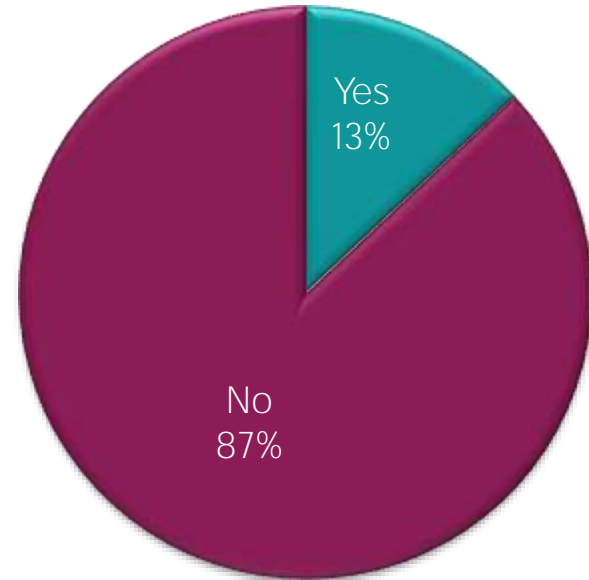
**Gamification:** Adding games or gamelike elements to something to encourage participation. Leaderboards, rankings and badges track progress and/or accomplishments.

Use leaderboards, rankings or badges



*n = 660*

Rely strongly on eThanks  
(an electronic card or automated  
e-mail without an associated reward)



*n = 661*

## Comparisons by organization staff size

- Organizations with 2,500 or more employees were more likely than organizations with 500 to 2,499 employees to rely strongly on eThanks.

Comparisons by organization staff size		
2,500 to 24,999 employees (18%) 25,000 or more employees (22%)	>	500 to 2,499 employees (6%)

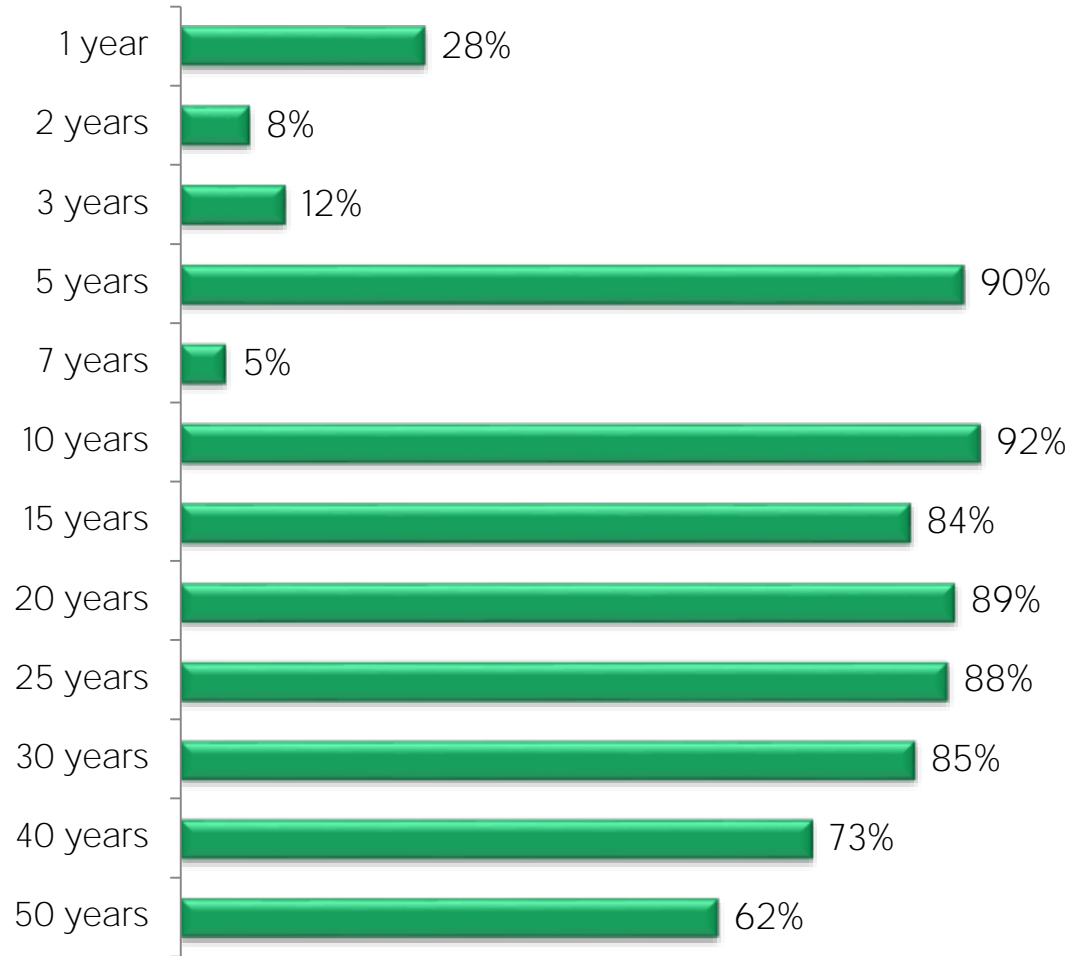
*Note: Only statistically significant differences are shown.*

# Service Anniversary Programs

- Most organizations celebrate service anniversary milestones every five years. About one-quarter (28%) celebrate the first-year anniversary, 8% celebrate two years, 12% celebrate three years and 90% celebrate the fifth year of service. Over two-thirds of HR professionals (69%) viewed their service anniversary recognition efforts as excellent or good (22% and 47%, respectively).
- Who is part of the service anniversary experience? Nearly three-quarters of organizations (72%) reported that the immediate supervisor/manager was a part of the experience, followed by human resources (62%) and upper-level management (61%). About one-half of respondents said service anniversaries involved the organization itself (54%)—for example, the organization may send a form letter to the employee. One-third of organizations (34%) included peer-level colleagues in the service anniversary experience.
- What is the primary feature of the service anniversary experience? About one-third of organizations (32%) provided employees with merchandise from a catalog/website. Twenty-one percent had an in-person event or award presentation, and 17% gave out pins, plaques or company logo items. Other awards include letters or certificates, cash bonuses and gift or debit cards.
- How much do organizations spend per employee on service anniversary awards? On average, over one-third of organizations (37%) reported spending \$50 or less per employee, 31% spent \$51 to \$200 per employee, and 22% spent more than \$200 per employee.

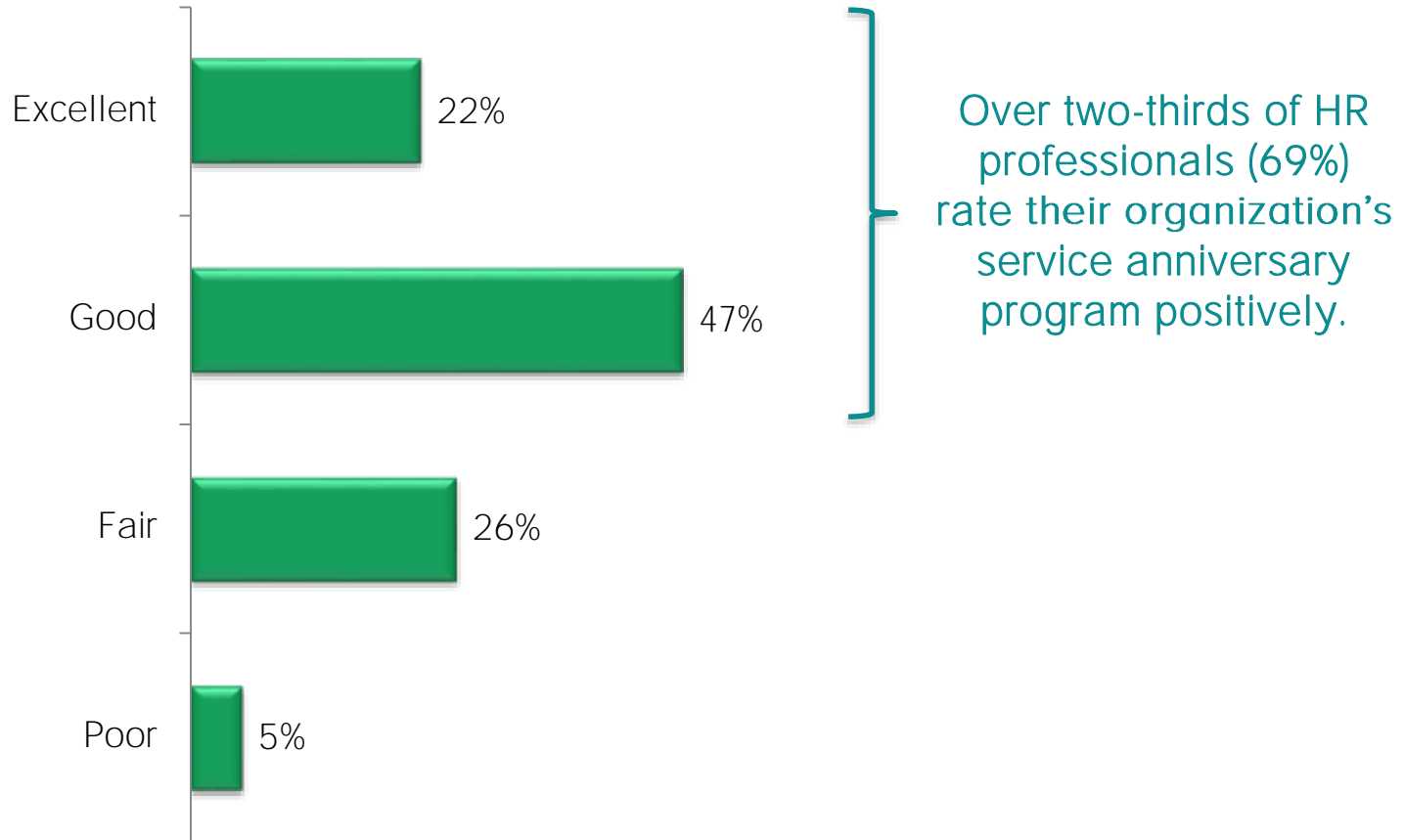
- What would HR professionals *like* their service anniversary program to deliver? Eighty-eight percent said they would like the program to make employees feel appreciated/valued. Over two-thirds felt the program should increase employee satisfaction/happiness (73%), renew emotional commitment to the organization (69%), raise employee engagement (68%) and build employee confidence/pride (67%).
- How do HR professionals rate the value of their service anniversary program? Seventy-two percent of HR professionals said their program was good or excellent at making employees feel valued. Nearly two-thirds (65%) said it contributed positively to organizational culture. More than one-half felt that organizational leadership (58%) and employees (56%) loved the program.
- **What are employees' concerns about the service anniversary program?** The top concerns voiced to HR professionals by employees were inadequate reward selection (32%), not impactful for employees (30%), inconsistent experience among employees (25%), too impersonal (20%) and too infrequent (18%).
- **What do HR professionals think would improve the effectiveness of their organization's service anniversary program?** Most commonly, HR professionals thought the service anniversary could be improved by providing a more inspiring experience to look forward to (35%). About one out of five said the program would be more effective with more participation from senior leaders (22%), better quality award choices (22%) and more participation from managers (21%).

## Service Anniversary Years Celebrated



*Note: n = 585. Percentages do not total 100% due to multiple response options. Respondents who indicated they did not have an anniversary program were excluded from the analysis.*

# HR Professionals' Rating of Organization's Service Anniversary Program



*n = 583*

## Types of Employees Who Are Part of the Service Anniversary Celebration



*Note: n = 580. Percentages do not total 100% due to multiple response options.*



## Primary Feature of the Service Anniversary Experience



*n = 580*

## Comparisons by organization staff size

- Organizations with 25,000 or more employees were more likely than organizations with 500 to 2,499 employees to have merchandise from a catalogue/website as the primary feature of their service anniversary program.

Comparisons by organization staff size: <i>Merchandise from a catalog/website</i>		
25,000 or more employees (47%)	>	500 to 2,499 employees (26%)

- Organizations with 500 to 2,499 employees were more likely than organizations with 2,500 to 24,999 employees to have cash bonuses as the primary feature of their service anniversary program.

Comparisons by organization staff size: <i>Cash bonuses</i>		
500 to 2,499 employees (10%)	>	2,500 to 24,999 employees (3%)

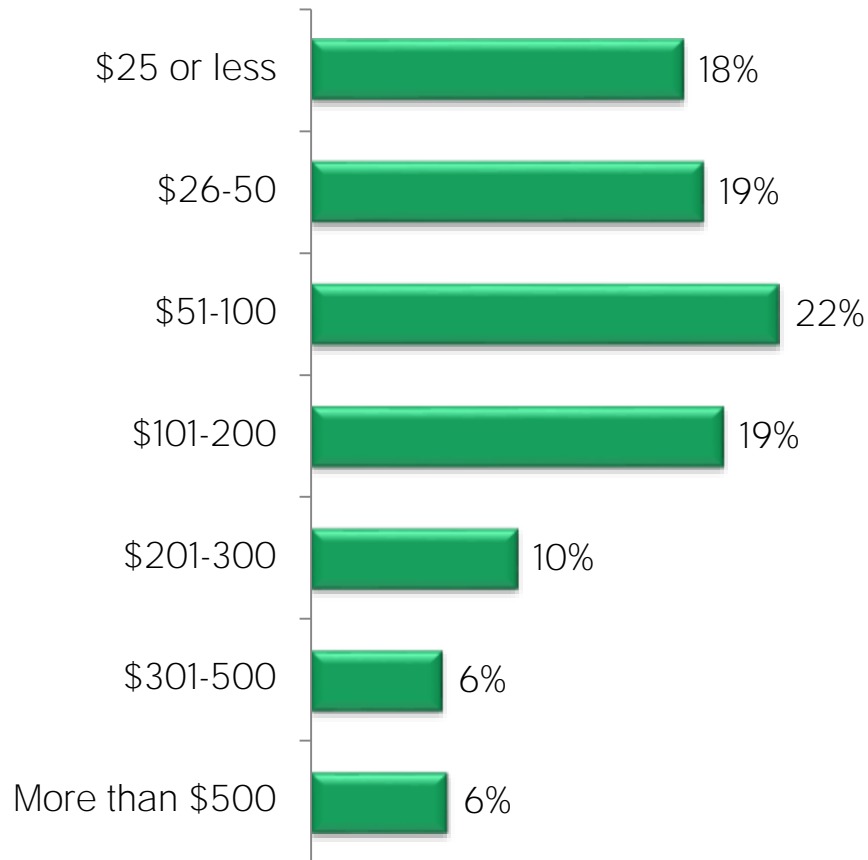
## Comparisons by organization sector

- Publicly owned for-profit organizations were more likely than government organizations to have merchandise from a catalog/website as the primary feature of their service anniversary program.

Comparisons by organization sector: <i>Merchandise from a catalogue/website</i>		
Publicly owned for-profit (45%)	>	Government (6%)

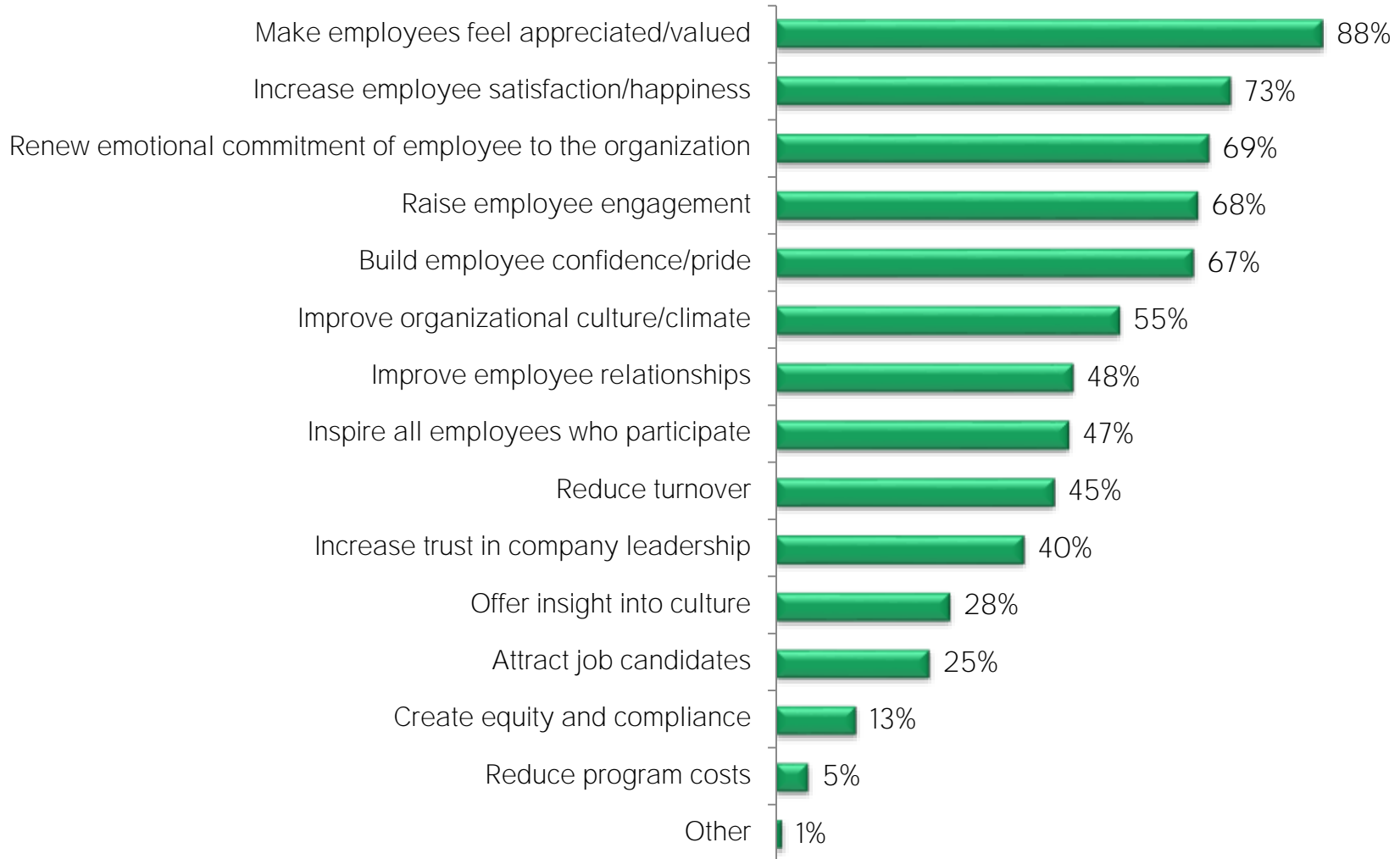
*Note: Only statistically significant differences are shown.*

# Average Spending on Service Anniversary Awards per Employee



*Note: n = 421. Respondents who answered "don't know" were excluded from this analysis.*

# What HR Professionals Would *Like* Their Service Anniversary Program to Deliver



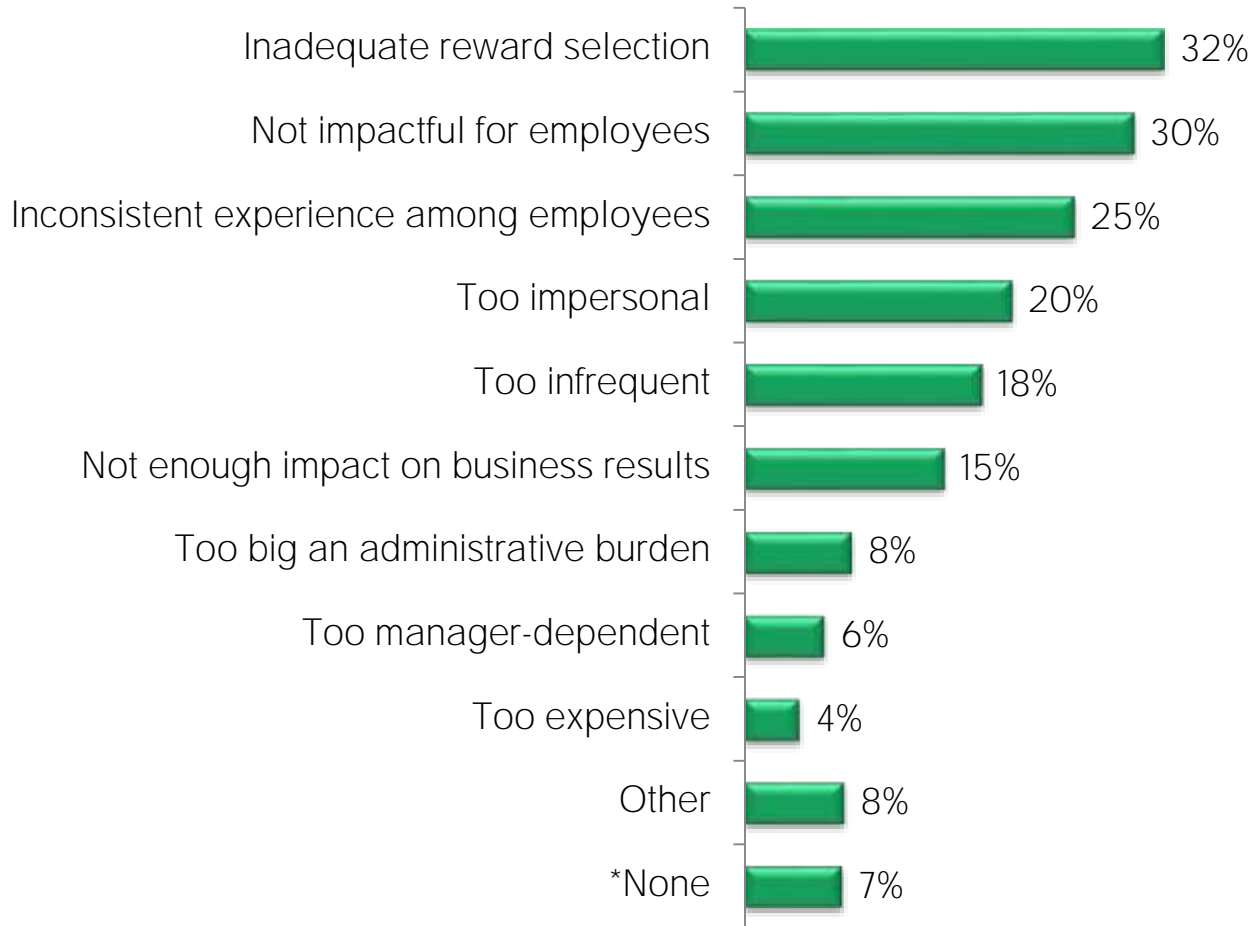
Note: n = 573. Percentages do not total 100% due to multiple response options.

# HR Professionals' Rating of the Value of Their Organization's Service Anniversary Program



*Note: n = 507-567. Percentages may not total 100% due to rounding. Respondents who answered "Not applicable" were excluded from this analysis.*

# HR Professionals Reporting Negative Feedback From Employees About Service Anniversary Program



*Note: n = 522. Percentages do not total 100% due to multiple response options. An asterisk (\*) indicates that the response option was developed from open-ended responses.*

## HR Professionals' Opinion About What Would Most Improve the Effectiveness of Organization's Service Anniversary Program



Note: n = 548. Percentages do not total 100% due to multiple response options.

# Demographics

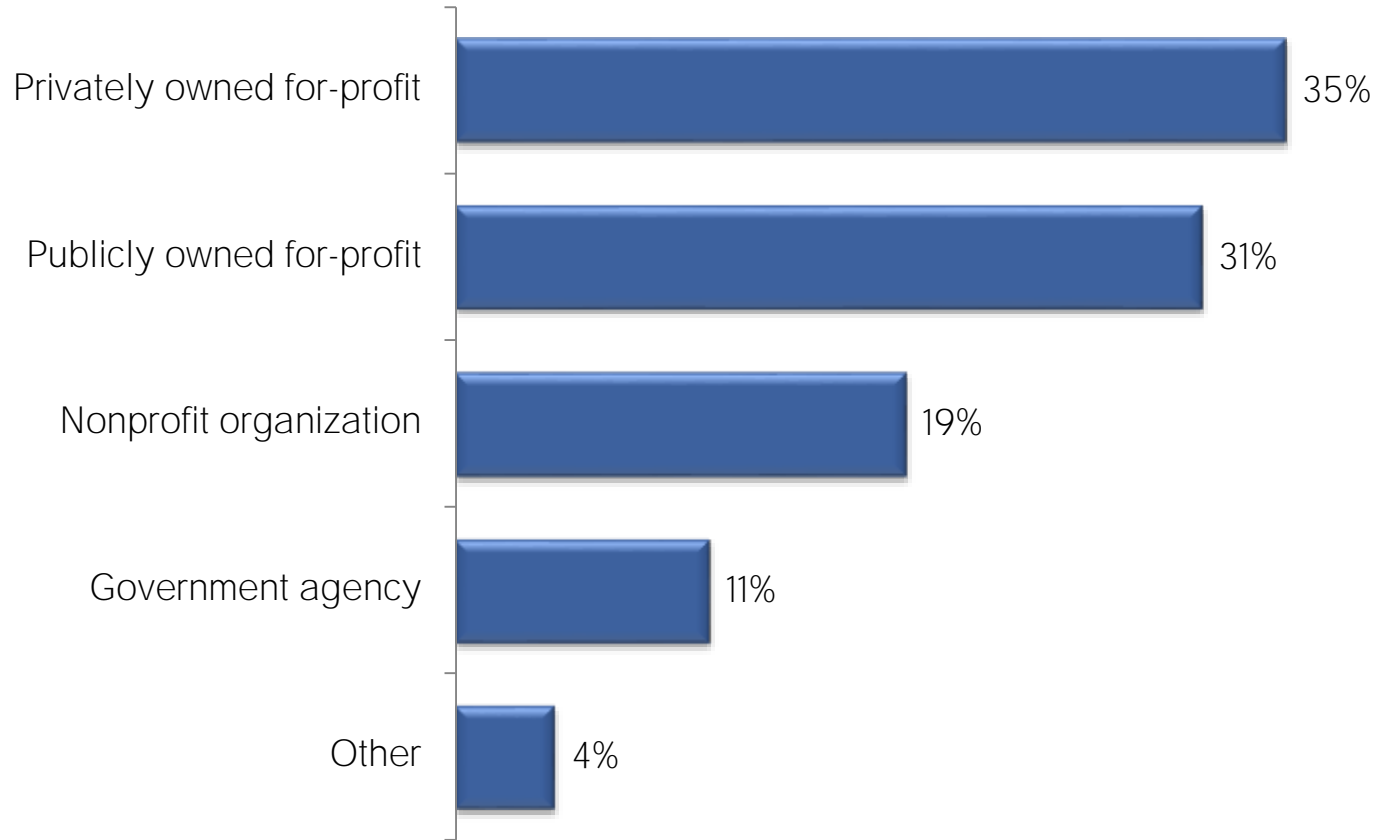


	Percentage
Health care and social assistance	24%
Manufacturing	20%
Professional, scientific and technical services	14%
Educational services	11%
Accommodation and food services	8%
Finance and insurance	8%
Government agencies	8%
Retail trade	8%
Transportation and warehousing	6%
Arts, entertainment, and recreation	4%
Information	4%

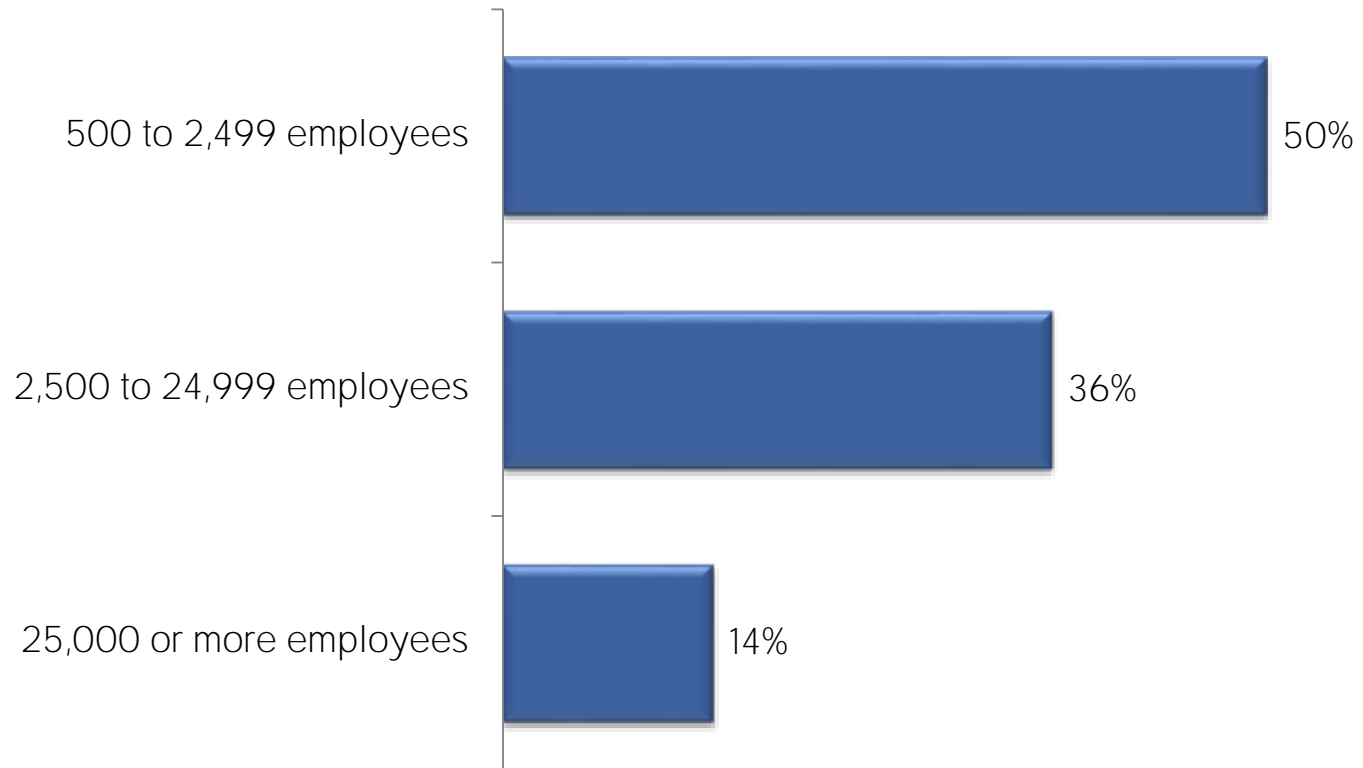
*Note: n = 736. Percentages do not total 100% due to multiple response options.*

	Percentage
Administrative and support and waste management and remediation services	3%
Construction	3%
Mining, quarrying, and oil and gas extraction	3%
Repair and maintenance	3%
Utilities	3%
Wholesale trade	2%
Agriculture, forestry, fishing and hunting	1%
Personal and laundry services	1%
Real estate and rental and leasing	1%
Religious, grant-making, civic, professional and similar organizations	1%
Other industry	2%

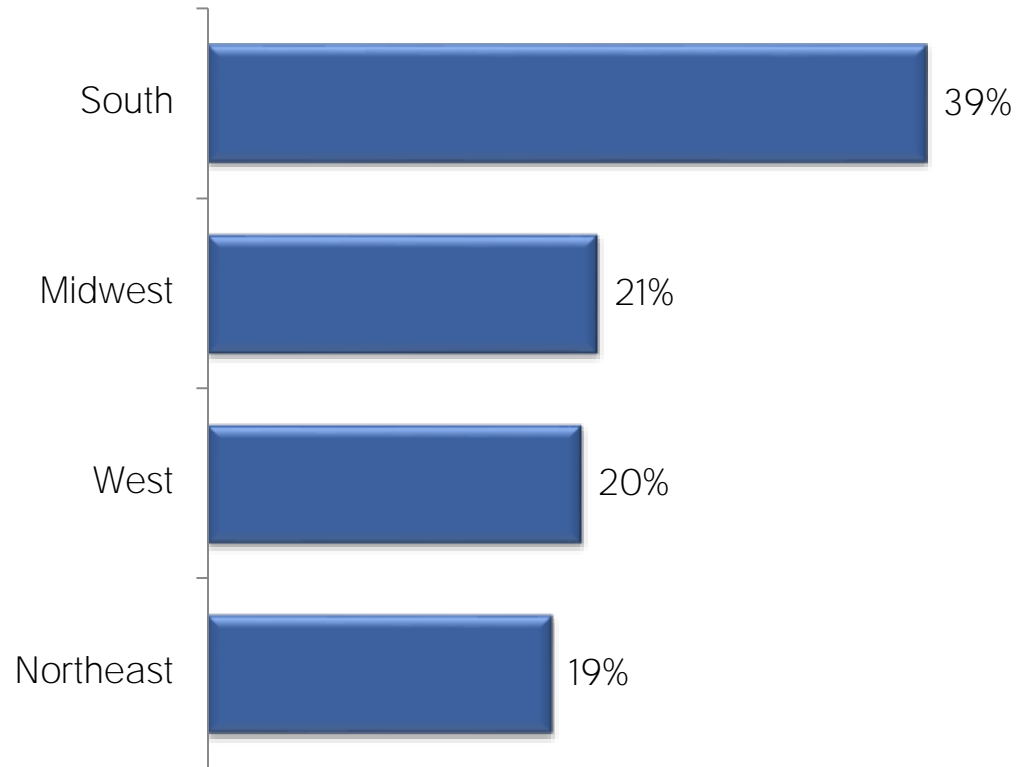
*Note: n = 736. Percentages do not total 100% due to multiple response options.*



*n* = 740



*n* = 752



*Note: n = 689. Percentages do not total 100% due to rounding.*

Does your organization have U.S.-based operations (business units) only, or does it operate multinationally?

U.S.-based operations only	62%
Multinational operations	38%

*n = 749*

What is the HR department/function for which you responded throughout this survey?

Corporate (companywide)	62%
Business unit/division	21%
Facility/location	17%

*n = 674*

Is your organization a single-unit organization or a multi-unit organization?

Single-unit organization: An organization in which the location and the organization are one and the same.	12%
Multi-unit organization: An organization that has more than one location.	88%

*n = 759*

For multi-unit organizations, are HR policies and practices determined by the multi-unit headquarters, by each work location or by both?

Multi-unit headquarters determines HR policies and practices.	46%
Each work location determines HR policies and practices.	2%
A combination of both the work location and the multi-unit headquarters determines HR policies and practices.	52%

*n = 673*

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## Survey Methodology

- Response rate = 14%
- 823 HR professionals from a randomly selected sample of SHRM's membership with a title of manager or above and employed at organizations with a staff size of 500 or more employees participated in this survey.
- Margin of error +/-3%
- Survey fielded January 13-February 4, 2015

- View previous studies from this series:
  - [Employee Recognition Programs, Spring 2013](#)
  - [Employee Recognition Programs, Fall 2012](#)
  - [Employee Recognition Programs, Winter 2012](#)
  - [Employee Recognition Programs, Summer 2011](#)
- [2015 Job Satisfaction and Engagement Report: Optimizing Organizational Success](#) (You can also purchase a copy of the report at [shrmstore.shrm.org](http://shrmstore.shrm.org))
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## About SHRM

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. Visit us at [shrm.org](http://shrm.org).