State of Employee Recognition & Rewards

How to maximize your Investment in Recognition & Rewards and avoid program pitfalls along the way

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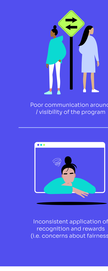
R&R REALITY CHECK

94% of organizations already have an employee Recognition and/or Rewards program. BUT, they aren't necessarily effective programs.

ONLY **32%** of organizations with a **Recognition** program rate it as Highly Effective or Very Highly Effective

ONLY **34%** of organizations with a **Rewards** program rate it as Highly Effective or Very Highly Effective

Common Employee Recognition & Reward program challenges



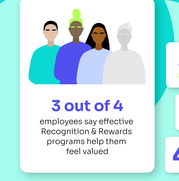
- Poor communication around / visibility of the program
- Lack of leadership involvement in program
- Cost
- Inconsistent application of recognition and rewards (i.e. concerns about fairness)
- Disengagement from employees who do not receive recognition or rewards
- **Only 1 in 4** organizations incorporate employee feedback when creating new rewards or recognition programs

THE GOAL: R&R DONE RIGHT

When organizations do get Recognition & Rewards programs right, the impact is endless (and awesome!).

Organizations with effective R&R programs are **3x more likely** to state that the program is closely tied to employee

than organizations with ineffective programs.



3 out of 4 employees say effective Recognition & Rewards programs help them feel valued

57% of employees say effective Recognition & Rewards programs increase employee satisfaction/morale

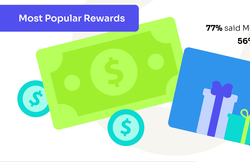
57% of employees believe effective Recognition & Rewards programs improve company culture

45% of organizations say effective Recognition & Rewards programs increase employee retention

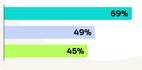
What do employees actually want when it comes to workplace Recognition & Rewards programs?

Most Popular Rewards

77% said Monetary Rewards
56% said Gift Cards



Most Popular Forms of Recognition



5 ways to collect and utilize employee feedback to improve Recognition & Rewards programs

It turns out that organizations who have successfully created highly effective Recognition & Rewards programs are

19x more likely to consider employee opinions

when creating new rewards / recognition programs.

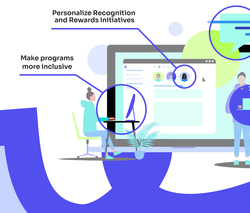
Most common methods of gathering employee feedback:

- **Exit Interviews** — 49%
- **Annual Surveys** — 47%
- **One-on-Ones with Managers** — 47%
- **Stay Interviews** — 46% (when organizations actively engage with employees)
- **Recurring Pulse Surveys**

(when organization solicits quick input from employees on a frequent basis, such as bi-weekly or monthly)

4 strategies to improve Recognition & Rewards program effectiveness

Over **50% of organizations plan to nurture a culture of Recognition and Rewards** in the next 24 months. Organizations plan to do the following to improve their programs:



WORKTANGO RECOMMENDATION

4 additional ways to optimize your Recognition & Rewards program

1. Solicit employee **input prior to** developing or modifying employee Recognition & Rewards programs
2. **Train managers** on how to properly reward and recognize employees
3. Get frontline **managers actively involved** with the program
4. **Regularly review** the effectiveness of your organization's Recognition & Rewards program

About The State of Rewards and Recognition Survey

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The "State of Rewards and Recognition 2023" survey ran from December 2022 to February 2023. We gathered 242 responses from HR professionals working in a wide range of industry verticals. Respondents are from all over the world, although the majority are based in the United States.

The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 100 employees to enterprises with 20,000+ employees.

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