

## Effective Measurement of Employee Recognition Programs Can Benefit the Boardroom and Beyond

*Globoforce Unveils 'Five Steps to Measurement Success' to Help HR Leaders Build the Business Case for Strategic Recognition in a Recession*

**SOUTHBOROUGH, MASS., and DUBLIN, IRELAND – May 19, 2009** – Many companies invest millions on employee recognition programs, yet a huge percentage fail to measure the effectiveness of these programs, leaving their CEOs in the dark on how recognition efforts are impacting the organization and its employees. A recent study conducted by recognition strategist and technology provider [Globoforce](#) showed that a staggering **42 percent** of organizations are not measuring the results of their recognition programs in any way. That fact was mirrored by the [Chartered Institute of Personnel and Development's annual survey](#), which showed that a full **68 percent** of companies are not assessing the impact of rewards programs.

However, companies that learn to effectively measure the outcomes of these programs stand to benefit tremendously, as recognition efforts are increasingly being viewed as a powerful [recessionary strategy](#) to boost employee morale and productivity levels. [Watson Wyatt's 2008/2009 WorkUSA Report](#) found that when employees are highly engaged, their companies enjoy **25 percent** higher employee productivity, have lower turnover risk and are more likely to attract top talent.

"In today's business climate, it's more critical than ever that management gets a transparent view into the outcomes of all major corporate investments, including employee recognition programs," said Derek Irvine, Head of Global Strategy, Globoforce. "When executed properly, strategic recognition holds the power to increase motivation, enhance engagement levels and drive bottom line results through improved productivity levels. With critical outcomes like this on the line, it serves all companies well to make a thorough assessment of how their programs are functioning *and* make necessary adjustments to maximize the return they get on this investment. In the end, it will benefit employees and management, and impact company performance."

In its recently released white paper, '[Measuring Recognition: How to Build the Business Case for Strategic Recognition in a Recession](#),' Globoforce advises that businesses take the following five steps for measurement success:

1. **Determine the Metrics of Recognition Success** – The success of any program requires a clear understanding of what defines success prior to program launch. All too many programs are measured on tactics such as number of awards given, which has no relevance on overall strategic objectives. Rather, companies should base metrics on elements such as:
  - a. Costs vs. Outcomes
  - b. Productivity and Performance Gains
  - c. Company Values and Strategic Objectives
  - d. Program Reach
2. **Establish a Performance Baseline for Recognition** – Once the metrics for success have been established, the next critical step is to determine a baseline of current performance. This will provide a view into the status of employee morale, productivity and performance relative to legacy recognition programs and it gives a level-set against which future success can be compared.
3. **Measure Regularly and Consistently** – After the baseline has been established, the program should be measured regularly and consistently to ensure the effort stays on target. These measurements should be taken in two ways: via the program itself and through employee surveys.
4. **Analyze Results and Look for Trends** – When recognition outcomes are available through the program itself and from employee surveys, the results need to be compared and analyzed to uncover important trends, such as certain divisions that aren't using the program or managers who may be neglecting 'personal recognition moments.'

- 5. Report Results Back to Employees, Managers and Executives in a Meaningful Way –** Significant results should be reported back to key audiences, including employees, managers and executives with outcomes that are most meaningful to each audience. For example, employees will want to hear about interesting recognition stories by their peers and continued investments in the recognition effort going forward. Executives, on the other hand, need to hear outcomes concerning program cost savings, how the program is performing in terms of demonstrating company values and goals, and results related to the program's impact on morale, productivity and performance.

[Click here](#) to download the complete white paper.

#### **About Globoforce**

Founded in 1999 and co-headquartered in Southborough, Massachusetts and Dublin, Ireland, Globoforce is the world's leading provider of global strategic employee recognition solutions for Global 2000 companies. Named a 2008 Inc. 500 company, Globoforce delivers an innovative, easy-to-use, on-demand software solution that engages employees across the globe, transforming the way enterprises motivate their workforce. Globoforce's blue-chip customer base, which includes Avnet, Biogen Idec, Dow Chemical, Global Crossing, Fairmont Hotels & Resorts, Intel, Intuit, Procter & Gamble, Quintiles and Thomson Reuters, reflects the importance of recognizing and engaging the workforce in the 21st century. For more information, log on to <http://www.globoforce.com> or visit the Company's blog at <http://globoforce.blogspot.com/>. Globoforce can also be found on Facebook, LinkedIn, Twitter and YouTube; [click here](#) for details.

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