

The logo for awardco, featuring the word "awardco" in a lowercase, sans-serif font. The background of the entire page is a vibrant yellow, with a large, abstract blue shape in the upper left and a large, abstract pink shape in the lower right. A cluster of white dots is positioned in the upper right area.

awardco

# 2022 State of Recognition Report

Impact, Trends &  
Insights Across Time,  
Location & Industry



# Rewards & Recognition Trends Reflect Growing Demand and Impact During the Great Resignation.

**If** there's one thing we know about here at Awardco, it's employee recognition. And after our biggest year yet, we're pleased to say that recognitions have increased dramatically throughout our platform in 2021. More companies around the globe have realized the power of employee rewards and recognition in the face of the Great Resignation and the ongoing pandemic. It's clear that organizations are recognizing their employees in increasingly powerful and effective ways to combat these challenges.

This report will show you rewards and recognition trends across time, location, and industry using a full year's worth of Awardco user data that we've collected, analyzed, and organized. We will offer recommendations based on those trends, and we hope that you'll be able to adopt some of the positive patterns and avoid common pitfalls so that your recognition programs really shine in the year to come.

2021 gave the business world a lot to adjust to, from not-yet-post-pandemic stress to remote work growing pains to the Great Resignation. In fact, since May of 2020, **79% of businesses have seen a surge of staff requests relating to mental health struggles of their employees**<sup>1</sup>. If anxiety and stress aren't enough, **67% of employees are disengaged, and 18% are actively resentful**<sup>2</sup> that their needs aren't being met.

Engagement is more important than ever, and recognition is one of the best ways organizations can boost employee engagement and happiness. After all, **80% of employees believe that recognition improves their workplace experience and engagement**<sup>3</sup>.

Recognition is the first pebble of change that can start an avalanche of improvement for your organization. Recognized employees are happier, more engaged, and more able to cope with the stresses of life.

<sup>1</sup> <https://www.wired.co.uk/article/return-to-work-mental-health>

<sup>2</sup> <https://www.gallup.com/workplace/257552/state-global-workplace-2017.aspx>

<sup>3</sup> <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/documents/shrm-globoforceemployeeerecognition%202018.pdf>

# What Time Is It? Recognition Time!

Our data revealed a few interesting time-based trends in the patterns of recognition. Each time you recognize someone, it should be timely and punctual.<sup>4</sup> It makes sense that time and employee recognition go hand in hand.

## Seasonal Trends of Recognition

One very apparent trend in the data was a wide fluctuation of recognitions throughout the year. The first few months saw a markedly lower volume of recognition and rewards. In fact, **January and February had nearly 6X fewer recognitions** than the highest-performing month of 2021 (December).

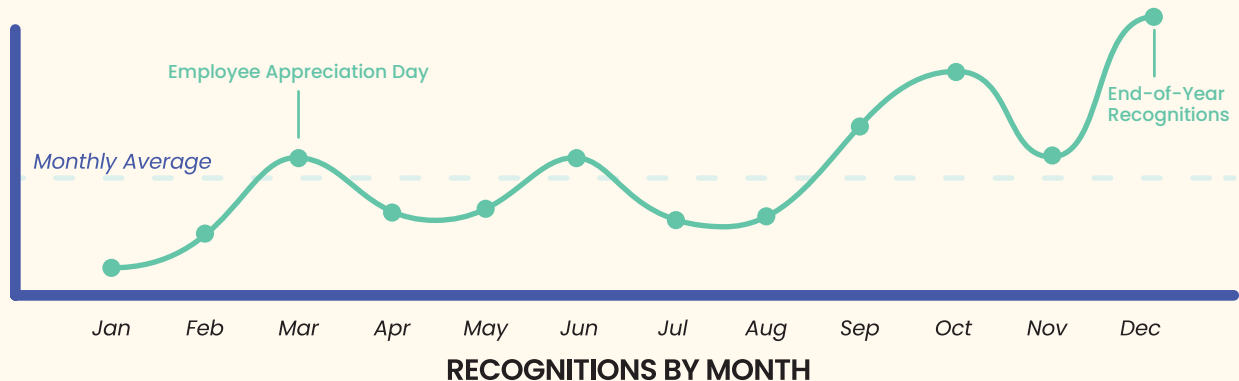
Why is that? One reason is the dreaded post-holiday funk. After parties and events and rewards scattered throughout October to December, both employees and employers get slightly burnt out on celebrating the good around them. Adding to the new year slump is the fact that end-of-year bonuses go out in December, which may lead companies to think they've "done enough" to value their employees. Cut to the beginning of the year, which traditionally sees the highest turnover rate across all industries, and it's hard not to see a correlation between low recognition rates and high turnover.

*The January blues*<sup>5</sup> are a real emotional struggle that many face at the start of the new year, and the trend of low recognitions and reward redemptions in our data follows this common emotional pattern. It may be easier than you think for employees to feel forgotten or unimportant in the months following the big holiday season.

On the flip side, recognitions and reward redemptions were extremely frequent throughout the fall. Our data confirms many widely held opinions about the holiday season: employees are more appreciative of others, companies are more likely to reward employees with holiday parties, and employees use their reward points more frequently leading up to the holidays for gifts.

Go ahead and give yourself a pat on the back for making the fall season one of recognition, rewards, and redemptions! However, we wanted to share a few thoughts on this trend as well.

End-of-year employee rewards and recognitions are widely accepted; besides service awards and birthdays, the biggest push for recognition and rewards is during the holiday season. Our data shows that **organizations are 77% more likely to recognize and reward their employees in December** than they are throughout the rest of the year!



<sup>4</sup> <https://www.award.co/blog/best-practices-of-recognition>  
<sup>5</sup> <https://www.businessinsider.com/do-you-have-january-blues-2018-1>

However, as previously noted, that leaves January and February (and most of the other months) without much celebration. (Our data shows that companies are 36% less likely to recognize and reward their employees in January). Think about this in regards to retention. Are your employees staying around until end-of-year just to get the big bonus only to leave soon after? According to recent research, this is likely true as January is the highest month for employee turnover<sup>6</sup>.

## Recognition Varies By Day

Now that we know more about annual trends, let's talk about days of the week. **Friday saw 713% more recognitions than the lowest day** (Sunday) and 52% more, on average, than the rest of the week. But that's not surprising, right? Everything is better on Friday. It's the end of the week, employees are feeling good, and everyone is more inclined to recognize their peers. People often choose Friday to recognize because all the goodness from the past week is fresh on their minds.

Not surprisingly, Saturday and Sunday recognitions are extremely low. And we applaud that. Weekends are for family, friends, and fun—not work.

So, let's talk weekdays only. Many people assume that Monday is the worst day of the week, but according to our data, **Tuesday is objectively the most stressful and least appreciative day of the week<sup>7</sup>** with recognitions down 37%. Oddly enough, Tuesday is also the most productive day of the week (queue the Twilight Zone theme song). After the reset that Monday provides, many employees feel stressed with a long work week in front of

## Recommendations

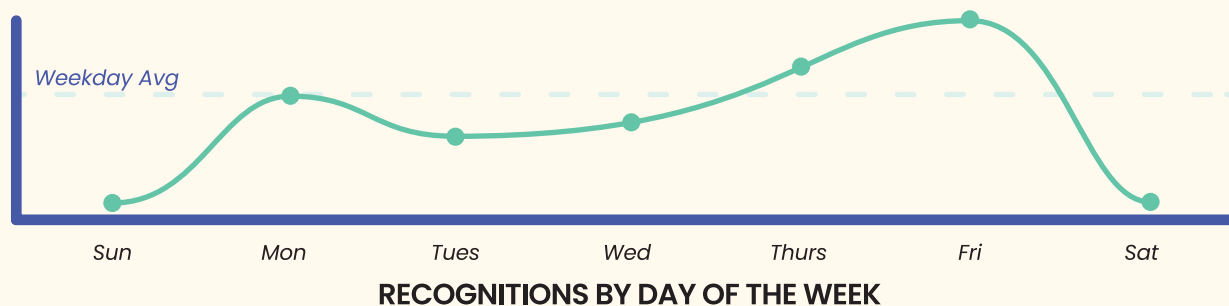
Winter is by far the least productive time of the year<sup>8</sup>, so make a concerted effort to appreciate your workforce after the holidays, especially through January and February. With a robust recognition program that encourages hard work and happiness all year, every season can become the most wonderful time of the year!

them and are more focused on getting work done than recognizing excellence around them.

Each work week acts like a miniature year. The end of the week is the most popular and celebratory while the beginning of the week sees far fewer recognitions. Just as with our monthly recommendations, employees shouldn't have to merely survive the first few days of the week to reach the last few days where they feel valued and happy. Strive to make each and every day rewarding and engaging. We're looking at you, Tuesday.

## Recommendations

Incentivize everyone to start the week off right with a recognition or two. With more recognitions throughout the week (and more rewards), you can pull your workforce out of the Tuesday funk. Use Awardco to set reminders to recognize early in the week and automate the process. You will likely see a bump in consistent productivity each day of the week.



<sup>6</sup> <https://www.smh.com.au/lifestyle/life-and-relationships/the-most-popular-day-of-the-year-to-quit-is-tomorrow-but-don-t-rush-20200128-p53vfd.html>  
<sup>7</sup> <https://www.liveplan.com/blog/why-monday-is-not-the-worst-day-of-the-week/>



## RECOGNITION BY INDUSTRY

# Which Industry Appreciates Employees the Most?

One of the most interesting insights from crunching our 2022 numbers was seeing how each industry differs in rewarding and recognizing its employees. In the competition for talent, there is a certain amount of “keeping up with the Joneses” that smart organizations are aware of and use to stay ahead of the rest. You may want to study up on which industries are outperforming others so that you can stay ahead of the curve.

To compare industries of varying sizes, we must have data which is comparative in nature. Comparing industries strictly on recognition volume would skew data towards industries with a higher employee count. So, we took the number of recognitions in an industry and divided it by the number of users in that industry, thus generating a recognitions per user (RPU) datapoint.

So, what did our data reveal? Here are the five most appreciative industries:

1. *Government*
2. *Finance*
3. *Insurance*
4. *Healthcare*
5. *Telecomms*

### ***Government Jobs Appreciate More***

Would you guess that government positions had the most recognitions per employee out of all of the industries that we serve? **Government entities serve up about 500% more recognitions than the average!**

Government organizations, especially smaller ones like cities, tend to be tight-knit groups that rely on collaboration and communication to accomplish big, important goals. Plus, government jobs are often difficult and relatively thankless (just think about the last time you visited the DMV), so government employers strive to make up for that by giving recognitions at a higher frequency. We think recognition for good work is the lifeblood that keeps government employees happy and healthy while dealing with the stress of their work.

## ***Recognition in Mining is an Underground Operation***

The mining and minerals industry has been a thankless one for hundreds of years, and mining is often considered one of the most neglected (not to mention dangerous) occupations out there. Our numbers seem to back up that assumption. The Minerals and Mining industry recognized their employees at an incredibly low 3%.

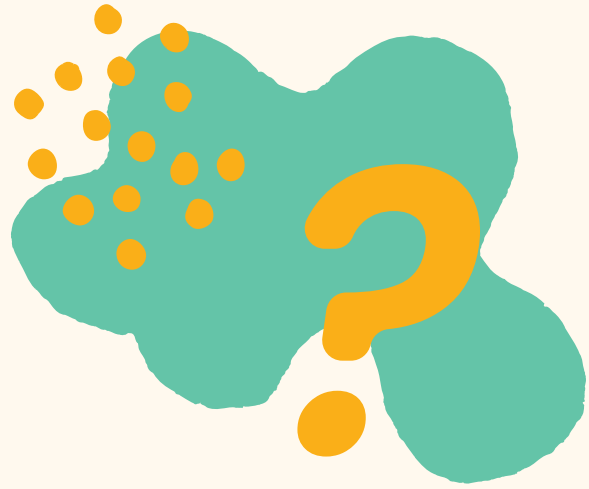
Mining attracts a somewhat more rough-and-tumble workforce, a majority of which are men who might eschew displays of emotion and gratitude. Management practices likely reinforce this traditional mindset in unintentional ways. If you work or manage people in the mining industry, knowing this trend can help you re-energize your recognition!

## ***Healthcare Recognitions Were Just What the Doctor Ordered***

If you're like us, you're likely tired of reading about this seemingly never-ending pandemic. But there's one particularly positive pandemic point we'd like to make: healthcare clients saw the critical need for recognition in their industry this past year, and their recognition efforts were flat out amazing!

For reference, 2020 saw a 125% increase in the number of clients being onboarded on the Awardco platform over the previous year. **In 2021, the number of Awardco healthcare clients jumped another 188%!** It's been gratifying to help them recognize and reward their employees in powerful ways.

The huge jump in rewards and recognition in the healthcare industry over the past year may not be surprising. It is a reflection of the struggles this industry and the people that power it have faced as they've been on the front lines fighting COVID-19. We appreciate all of the work they've done and look forward to boosting rewards and recognition even more for all of the healthcare workers who strive to keep us safe!



## ***Recommendations***

No matter the industry, recognition must become a top priority. From government agencies to coal mines and everything in between, employees are the fuel that powers each business to success. Take care of them by making an effort to recognize and reward them a little more this year.



RECOGNITION ACROSS LOCATION

# Oh the Places You'll Go...and the People You'll Recognize!

Awardco has clients all over the world, from India and the Philippines to Germany and Brazil. Our amazing customers recognized their employees around the globe in 2021. Of course, with so much user data from far flung locales, we had to look closely at the numbers to see where employee recognition was flourishing.

**So, which countries show the most appreciation?** *(Hint: It's not the U.S.)* **And which countries might need some improvement?** *(Hint: It might be the U.S.)*



## ***Foreign or Domestic?***

While Awardco continues to build a healthy international presence, the majority of Awardco’s clients reside within the United States. So it came as a surprise when we saw 29% of total recognitions for 2021 happened outside of the U.S.! When comparing our foreign and domestic clients, we saw that, on average, **employees in foreign countries received nearly twice as many recognitions as domestic employees!**

Which begs the question: are foreign companies better to work for than U.S. companies? Do managers and executives care more about their employees outside of the U.S.? According to one *Harvard Business Review* study<sup>8</sup>, African, Asian, and Australian/New Zealand companies have cultures that focus the most on a “caring” style. They also have high ratings in “purpose” style cultures. Companies in the United States, on the other hand, have a lower “caring” rating. They also have the lowest rating for “enjoyment”-centric cultures.

These findings correlate fairly closely with our recognition data. Companies with cultures focused more on caring and enjoyment rank highly in our platform because they recognize and reward employees more.

## ***Recommendations***

**Take a look at your company culture and see where you can boost engagement (looking at you, U.S. businesses). Make goals for recognizing employees more often because recognition boosts employee engagement, lowers employee frustration, and lowers voluntary turnover<sup>9</sup>.**

<sup>8</sup> <https://hbr.org/2020/01/how-corporate-cultures-differ-around-the-world>

<sup>9</sup> <https://www.quantumworkplace.com/future-of-work/importance-of-employee-recognition>



# Top 5 Most Appreciative Countries

This is a difficult question to answer because each country, culture, and client has different social norms and customs. However, comparing how countries recognize is similar to comparing industries, so our recognitions per user datapoint comes in handy here, too. Looking strictly at RPUs, here are the top five most appreciative countries:



Shout out to all of the amazing recognizers around the world! A lot of great countries were higher than average, but the five countries listed here were a cut above. We're proud to help so many fantastic companies globally, and we're excited to grow globally even more this year!

You may be wondering, what about the U.S.? Doesn't Awardco have the most clients there? As it turns out, Awardco data confirms what your gut is likely telling you: U.S. companies are below the global average in recognizing their employees. **Compared to companies outside of the U.S., the average recognitions per user in the United States drops by 25%.** Plus, a large percentage of recognitions in the U.S. are milestone-related, such as birthdays, and workiversaries (aka service anniversary awards, for those uninitiated readers) as opposed to spot recognition.

This below average score for the U.S. has held fairly steady over the past several years and is something for U.S.-based company to be aware of. Perhaps the Great Resignation would be less dramatic in the U.S. if more companies took the time to recognize and appreciate their employees with greater frequency and better rewards (\*cough\* with Awardco \*cough\*).

## Recommendations

When it comes to recognition, try to be more like the Philippines.

# The United States of Recognition

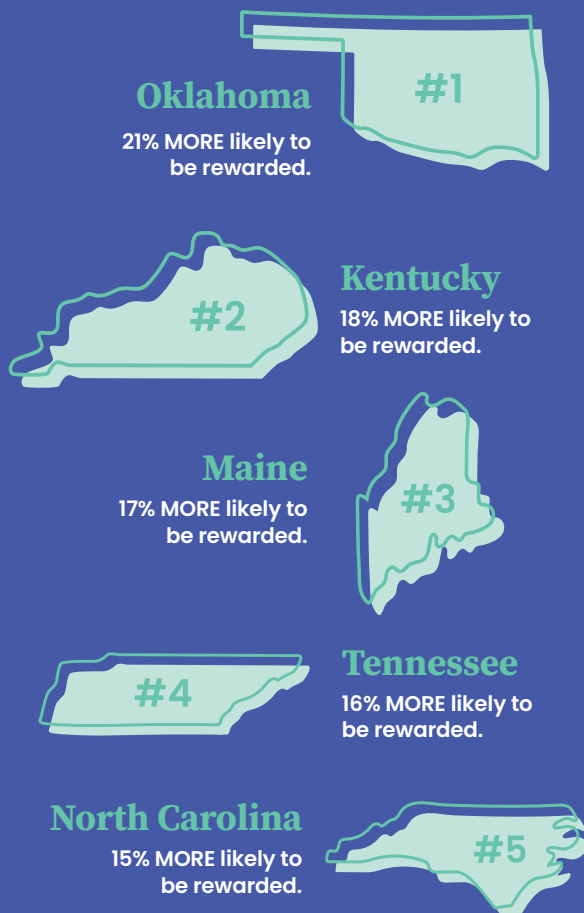
With the majority of our clients residing in the U.S., a close examination of rewards, recognition and location wouldn't be complete without a closer look at the fifty nifty states and their fine cities. If you've ever thought to yourself, "which city/state should I move to to be rewarded more often at work?" this section is for you.

For this section, we took the average *redemptions per user* of every state across the country so we could get a more accurate location of the person being rewarded. Don't be too sad if you don't see your home state here—there are still things you can do to change the way your organization operates!

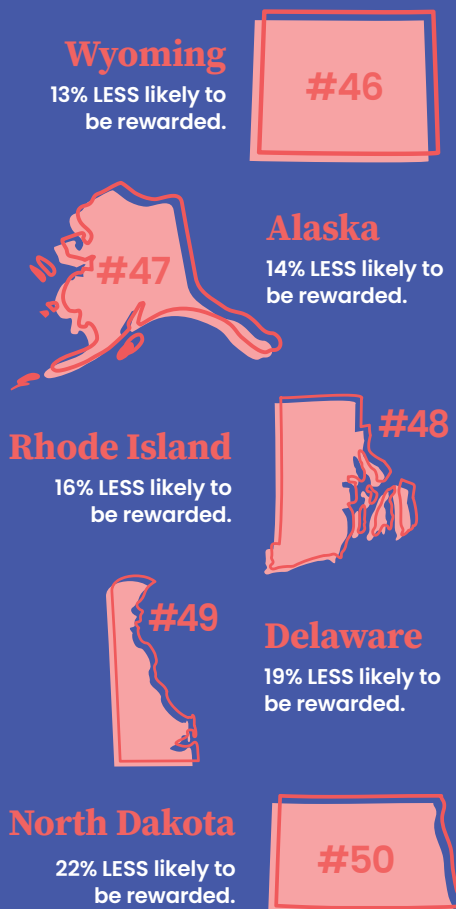
And now, what you've all (probably) been waiting for. The five states with the least amount of redemptions per user. If you live or work in one of the below states, don't worry—all it takes is an event or two focusing on employee recognition and a customized recognition program from Awardco, and you'll see your RPU skyrocket.

You might notice, as we did, that three of the five states below are often known for high-performing mining industries. As discussed before, the mining industry needs the most improvement when it comes to recognizing and rewarding its employees. Our data appears to bear that out geographically.

## MOST REWARDING STATES



## LEAST REWARDING STATES



# Take Pride in Your City

If, as the saying goes, that “all politics is local”, the same could be said about rewards and recognition. So we dove deep into the data to find the most rewarding cities in America.

**The award for the Most Rewarding City in America goes to Knoxville, Tennessee!** Knoxville leads the nation in most rewards redeemed per user at a whopping 92.9% above average! Is that the famous southern hospitality we’ve heard so much about? We’re not sure. But if you want more rewards in the workplace, you may want to get on *Zillow* (Awardco client plug) and start looking for homes in or around Tennessee—specifically Knoxville.

## *Here’s how the top five most rewarding cities scored:*

<b>Knoxville, TN</b>	<b>+92.9%</b> <i>above national average</i>
<b>Charlotte, NC</b>	<b>+88.7%</b>
<b>Salt Lake City, UT</b>	<b>+31.5%</b>
<b>Bakersfield, CA</b>	<b>+26.2%</b>
<b>Tulsa, OK</b>	<b>+22%</b>
<b>Chicago, IL</b>	<b>+20.2%</b>





## RECOGNITION BY COMPANY SIZE

# Big Business vs Small Startup: Fight Night

No two companies are the same and Awardco has hundreds of clients of different shapes and sizes. We broke them down for our purposes with this study, and here are the three brackets based on employee count:

**Enterprise** 1000+ employees  
**Mid-market** 250-1000 employees  
**SMB** 2-250 employees

We were curious to see which type of business recognized and rewarded the best over the past year, and we learned some interesting things.

### **Recognition Frequency**

First we wanted to look at recognitions per user (RPU) across business size in relation to the average across our platform.

**Enterprise RPU** 17.9% below avg  
**Mid-market RPU** 7.1% above avg  
**SMB RPU** 21.4% above avg

So, on average, **small businesses recognize 21% more than the average and almost twice as much as enterprise-level organizations.** Why do you think that is? Enterprise-level companies often have issues with scaling positive, culture-building programs, such as recognition. This is often due to an assumption among managers that they don't have the budget to recognize as often as preferred or that recognition must be accompanied by a costly reward.

To be effective, recognition must be specific, timely, and authentic. Enterprise-level managers and executives would do well to remember a handwritten note, a heartfelt thank you, or a small team party are great, inexpensive ways to show you care. And businesses of any size can do these things with Awardco.

### **Recommendations**

Recognitions don't have to break the budget. Recognizing employees and peers can be as simple as a genuine compliment (and it's just as effective as a cash gift!). Organizations are discovering the power of recognition (increased engagement by 2X, increased productivity by 17%) in their workforce—and they're not spending any more money to do it.

## Reward Amount

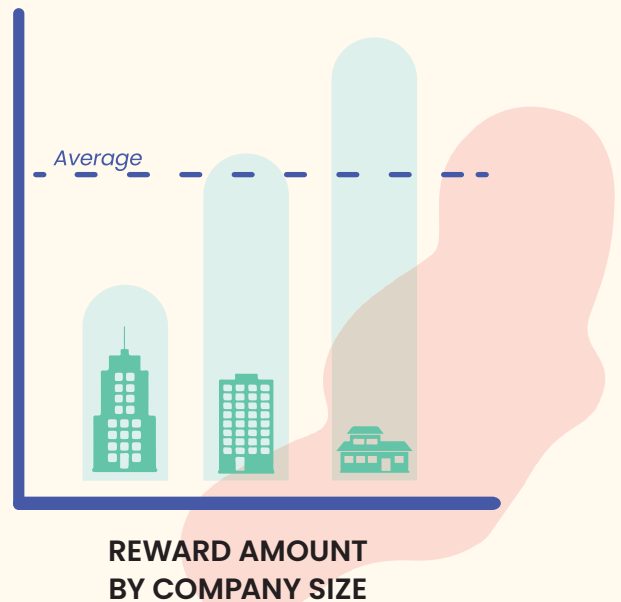
We took a look at the monetary amounts each category of business spent per employee and saw that it supports the data in recognition frequency. If you assumed that enterprise businesses spent the most on their employees with their bigger budgets, think again. Take a look at the average reward amount per employee for the three categories:

**Enterprise** 24.4% below avg  
**Mid-market** 3.6% above avg  
**SMB** 21.6% above avg

This statistic blew us away! In addition to the fact that SMBs recognized the most, they also spent the most on rewards for their employees at over 21% above the average! Mid-market companies came in pretty much at the Awardco average, while **Enterprise companies came in last in spending per employee at 24% below the average** (room for improvement!).

When it comes to mid-market and SMB overperformance, we have a few explanations. Teams and departments are more close-knit in smaller companies, an assumption that's supported by employee research<sup>10</sup>. Also, with smaller teams, management has a closer relationship with their employees and they see the positive impact they're making on the business. According to the data above, employees state that working at a small business feels like a family (and recognizing family is a lot easier than recognizing strangers).

Running effective rewards and recognition programs at enterprise companies can often seem daunting. Recognizing hundreds, if not thousands, of employees may seem intimidating or too expensive, which likely accounts for their lower performance. However, with Awardco, even the biggest of companies can recognize those around them. Plus, with our automation tools, managing enterprise-level rewards and recognition is a breeze<sup>11</sup>.



## Recommendations

Just start recognizing! Whether your business is big or small, Awardco can help you set up the recognition programs and budget you need to see amazing results. The price and the method doesn't matter as much as the act of recognizing. Your employees will appreciate any heartfelt effort you put forth.

<sup>10</sup> <https://www.blackenterprise.com/employees-happier-small-businesses/>  
<sup>11</sup> <https://www.awardco.com/manage>

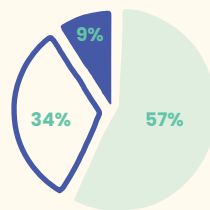
## Recognition Program Distribution

A recognition program is any system that is set up to recognize employees in any way. For example, service awards (work anniversaries) are one program. A gym membership with rewards for attending is another. Awardco allows our clients to easily create and manage a wide range of programs to help their employees stay happy, healthy, and engaged in the workplace.

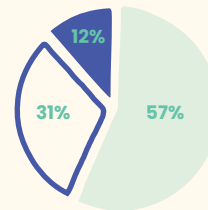
We felt it would be insightful to see which recognition programs are most popular and to look at differences in how those programs are adopted from small businesses to enterprise level organizations. The charts below breakdown the most popular recognition programs within the Awardco platform and how much each size of business accounts for the total.

### SPOT RECOGNITION PROGRAMS

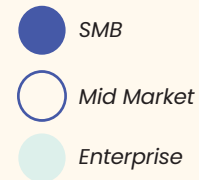
80% Program Usage



Manager-to-Employee

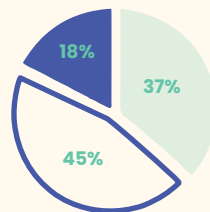


Peer-to-Peer

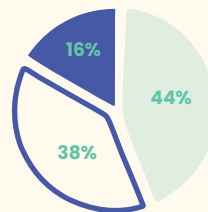


### MILESTONE PROGRAMS

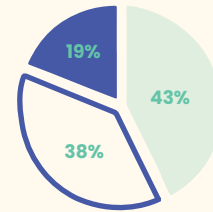
65% Program Usage



Onboarding



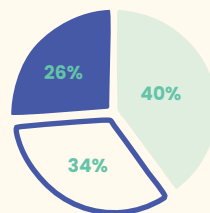
Birthdays



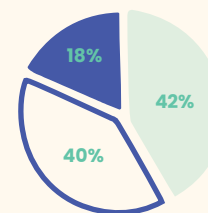
Service Awards

### BEHAVIORAL PROGRAMS

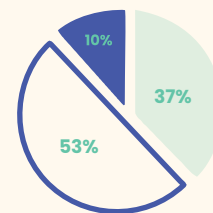
25% Program Usage



Wellness



Sales Incentives



Safety

One quick fact to highlight is that manager-to-peer and peer-to-peer programs are by far the most popular, regardless of business size. This is a fantastic sign because these spot recognition programs allow everyone to recognize the excellence around them as soon as they see it. Smart companies allow employees and managers to quickly and easily recognize those around them.

Another key takeaway is that behavioral programs, such as wellness and safety programs are still relatively rare in businesses of all sizes. These programs are great ways to promote positive behavior, from dietary goals to safety compliance. They're also great ways to incentivize those who are striving to better themselves! **Behavioral programs, like wellness, are a growing segment in rewards and recognition<sup>12</sup>**, so get ahead of the curve and make your behavioral programs more than just a step-counting contest or a free coffee-maker giveaway.

Lastly, as we've already learned, SMBs recognize and reward the most, but they also have the fewest number of recognition programs across the board. Small businesses know that the best recognition programs are easy to participate in and simple to understand. We've found that SMB managers and HR departments typically have more time to promote their recognition programs with individuals due to their manageable team sizes, which leads to better adoption.

## Recommendations

*"Simplicity is the ultimate sophistication", and so it is with recognition programs. Talk with your employees to understand what types of recognition, celebrations, and rewards make them the most excited and go from there. Celebrate your employees, recognize achievements, and reward exemplary efforts.*



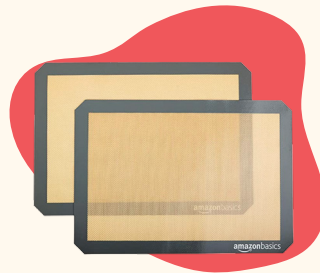
<sup>12</sup> <https://hbr.org/2022/01/11-trends-that-will-shape-work-in-2022-and-beyond>

# Most Popular Reward Items

Awardco's platform offers thousands of reward items—\*checks notes\*—**millions of reward items through Amazon**. This gives employees the power to choose exactly what reward is best for them on their birthday, workiversary, or on Employee Appreciation Day. But which items were the most popular in 2021? Take a look:



**1.** *Apple AirPods Pro*



**2.** *Non-Stick Baking Mat*



**3.** *Magic Bullet Blender*



**4.** *Electric Searing Grill*



**5.** *Bose Headphones*

Music and food must be on everybody's mind! While this is a fun surface stat, there is a deeper story to tell. The pandemic is still acting as the cultural equivalent of a rock dropped in a pond, and people need new ways to cope and live comfortable lives. Headphones allow employees to work better from home, find a quiet moment, or block out the noisy neighbors. Cooking implements help anybody cook more often at home as well. Do you sense a theme, here? Clearly people are making the most of the rewards available to them so they can help fill some of their needs in today's hectic (and increasingly stay-at-home) society.



# Most Popular Gift Card Rewards

1. *Amazon*
2. *Target*
3. *Doordash*
4. *Bath and Body Works*
5. *Nike*

Amazon gift cards allow employees to get whatever they want, with the freedom to also shop the offerings of Amazon resellers. Target is a great choice for groceries and games, and Doordash is a safety valve for many to get yummy food while staying safe at home. Brands like Bath and Body Works and Nike on this list underscore the undeniable trend towards personalization and choice that is at the root of everything we do at Awardco.

It's fascinating seeing the current state of the workforce and global conditions impact employee rewards and recognition. It's even more fascinating when the data validate that impact directly with the rewards employees are selecting and programs people are running. It's clear: employees want personalized recognition and reward choice. Limited-catalog employee rewards and inflexible recognition programs just don't have the options to support employees in a global pandemic. So, you might want to think twice about how a fancy padfolio or hastily signed birthday card is going to help someone feel more valued and secure in this unprecedented time of global uncertainty.



# Where to Go From Here

Is your head spinning with numbers, percentages, and averages yet? Good! Ours has been for quite some time. But while this has been a fun exploration into the current state of recognition, we hope our recommendations will help you take your rewards and recognition programs to new heights. With the start of 2022 in the rearview mirror, now is the perfect time to make the necessary changes to improve your company culture.

## *Here's a quick summary of our recommendations:*

1. Make winter (especially January–March) a time of recognition and engagement.
2. Implement an Employee Appreciation Week and get everyone involved.
3. Incentivize recognition on Mondays and Tuesday each week.
4. Create a recognition program tailored to fit your industry.
5. Brainstorm a plan to boost employee enjoyment in the office.
6. Recognize like the Philippines.
7. Start utilizing free or inexpensive recognition methods.
8. Ask your people what programs will excite them.

Above all else, just start recognizing. A thank you note to a reliable worker who may not be in the spotlight is a great place to start. And if you have a handle on the simple stuff already, take the next step and think of ways to add to your existing programs.

Whether your business is in the Northern Hemisphere or the Southern, in America, Europe, or Asia, your employees need to feel cared for. When they can tell you care for them, they'll care more about (and be more engaged in) their work.

**Contact Awardco for help elevating your recognition programs this year.**

[award.co/start](https://award.co/start)

**awardco**

