

TRENDICATORS SURVEY REPORT

WHAT DO EMPLOYEES SAY ABOUT SERVICE AWARDS?

In 2016, 5,000 employees were surveyed across the United states, representing all major industries and demographic groups, to understand the perceptions of employees regarding length of service recognition programs.

The results of this survey, which were published in a comprehensive report in late 2016, were extremely popular among HR leaders, compensation and benefits managers and rewards and recognition program managers.

Since then, we have received numerous requests for an executive-level summary of the survey findings, which we are proud to deliver in this report, *What Do Employees Say About Service Awards?*

**IF YOU WOULD LIKE TO RECEIVE A COPY
OF THE FULL SURVEY REPORT, PLEASE EMAIL:**

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Trendicators is the research division of Engage2Excel, a leading provider of employee recognition, engagement survey and talent acquisition solutions. Trendicators provides original research along with reports on insights and best practices from industry leaders and experts.

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INTRODUCTION

Companies have been recognizing employees for their length of service since the late 1800s. In fact, a majority of companies in the United States (90% of Best Practices Organizations and 76% of Non-Best Practices companies) have a formal length of service program in place today. Recognition for length of service includes not only recognition for service anniversaries, but also successful onboarding, retirement, and other career milestones.

As social recognition technology continues to evolve, one might ask, “Are service awards still relevant? Do employees still see the value in service awards?” The answer is a resounding “Yes,” based on groundbreaking research conducted by Trendicators, the research division of Engage2Excel.

To understand industry trends and preferences towards recognition for length of service programs, we surveyed 5,000 U.S. employees, representing all major industries and demographic categories. The results send a clear message to HR departments and senior management:

Service awards are an important component of your overall recognition and engagement strategy to drive enterprise success.

This Trendicators Report is the outcome of research collaboration with Engage2Excel’s Chief Scientific Officer, Dr. Jack Wiley. The results, summarized on the following pages, provide readers an unbiased view of recognition in today’s workforce.



Jack Wiley is an author, consultant, researcher and instructor. For almost three decades, he has focused on two big research questions: what employees most want, and what organizational factors best promote employee engagement, performance confidence and business success.

SURVEY RESULTS AT-A-GLANCE

Length of Service Awards and Employee Engagement

Organizations with formal length of service programs enjoy **engagement scores that are 25 points higher**

Prevalence of Length of Service Award Programs

78% of all companies have formal length of service recognition programs

90% of Best Practice Organizations recognize length of service

Employees Overwhelmingly Favor Length of Service Awards

74% of all employees believe service awards help employees feel valued and improve engagement

80% of 25-34 year olds believe service awards are effective and make people feel valued

85% of employees with professional degrees perceive service awards to be effective

The most favorable* ratings of service programs are reported by employees with **less than 10 years' tenure**



Survey Demographics

Number of Respondents: 5,000

Countries Represented: United States

Industries Represented: All major industries

Respondent Demographics: U.S. adult workers in all job types with proportionate representation of gender, age group, and racial/ethnic origin

Margin of Error: 95% confidence level +/- 1.5%

* The percentage of favorable ratings is based on the percentage of employees who agree or strongly agree with each dimension or survey item.

PREVALENCE of service awards in the workplace

Across all the industries, 78% percent of employees reported that their organizations have a formal recognition program in place. Of all those surveyed, employees in the restaurant/eating and drinking establishment and education industries were the least likely to report having formal recognition programs in place—with the lowest values reported at 65% and 70%. Alternatively, employees in banking services reported the highest frequency of formal recognition programs (88%). This represents a 23 percentage point difference between the highest and lowest scoring industries.

Across all industries, 78% of employees reported that their organizations have a formal recognition program in place.

FIGURE 1: Represents the percentage of U.S.-based employees by industry who said YES to having a formal length of service recognition program.

Banking Services	88%
Construction/Engineering	86%
Food Industry Retail/Wholesale	85%
Communication Services/Utilities	84%
Electronics and Computer Manufacturing	84%
Light Manufacturing/Manufacturing Overall	84%
Heavy Manufacturing	83%
Banking and Financial Services	81%
Government/Public Administration	81%
Health Care Services	80%
Health Care Overall	79%
Retail/Wholesale Trade	79%
Overall/All Industry	78%
Health Care Products/Pharmaceuticals	78%
Financial Services	76%
Business Services	74%
Transportation Services	72%
Education	70%
Restaurants/Eating and Drinking	65%

FIGURE 1

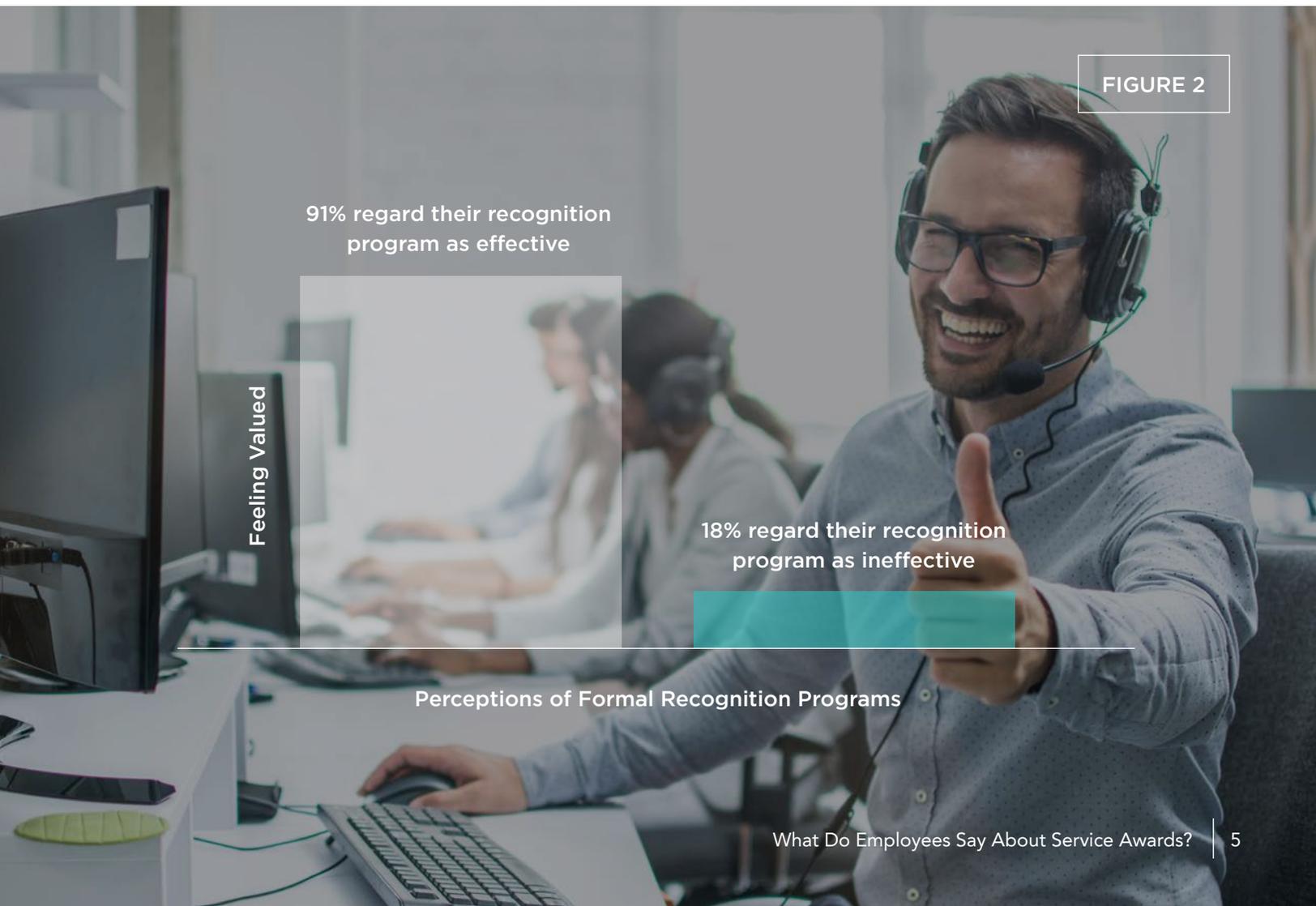
PERCEIVED EFFECTIVENESS of recognition programs and feeling valued

The significant difference in perceptions presents a strong case for companies to improve program effectiveness.

Employees who believe their formal recognition program is effective feel significantly more valued than those who perceive their program as ineffective. Of those who believe their program is effective, 91% report feeling valued by their company compared to only 18% who report feeling valued by a recognition program that, in an overall sense, they regard as ineffective. This difference of 73 points presents a strong case for companies to examine ways of improving the effectiveness of their length of service recognition programs.

FIGURES 2-4: For employers with formal recognition programs, Figures 2-4 depict employee favorability toward such programs by various demographic subgroups, and employees who agree or strongly agree with the following two statements:

- I consider my organization's length of service recognition program to be **effective**.
- Our length of service recognition program helps me **feel valued** as an employee of this organization.



FAVORABILITY toward recognition programs by **Age Group**

Older workers perceive formal recognition programs much less favorably than their younger counterparts. For example, more than 73% of all workers between the ages of 18 and 44 perceive such programs as effective and also feel valued by such programs; conversely, only around 60% of workers 45 years and older feel these programs are effective and feel valued by the programs—an average difference of 13 percentage points.

Among all age groups, millennials show the highest favorability (80%) toward their service recognition programs.

FIGURE 3: The percentage of employees, by age group, with formal recognition programs who feel that those programs are effective and help make them feel valued.

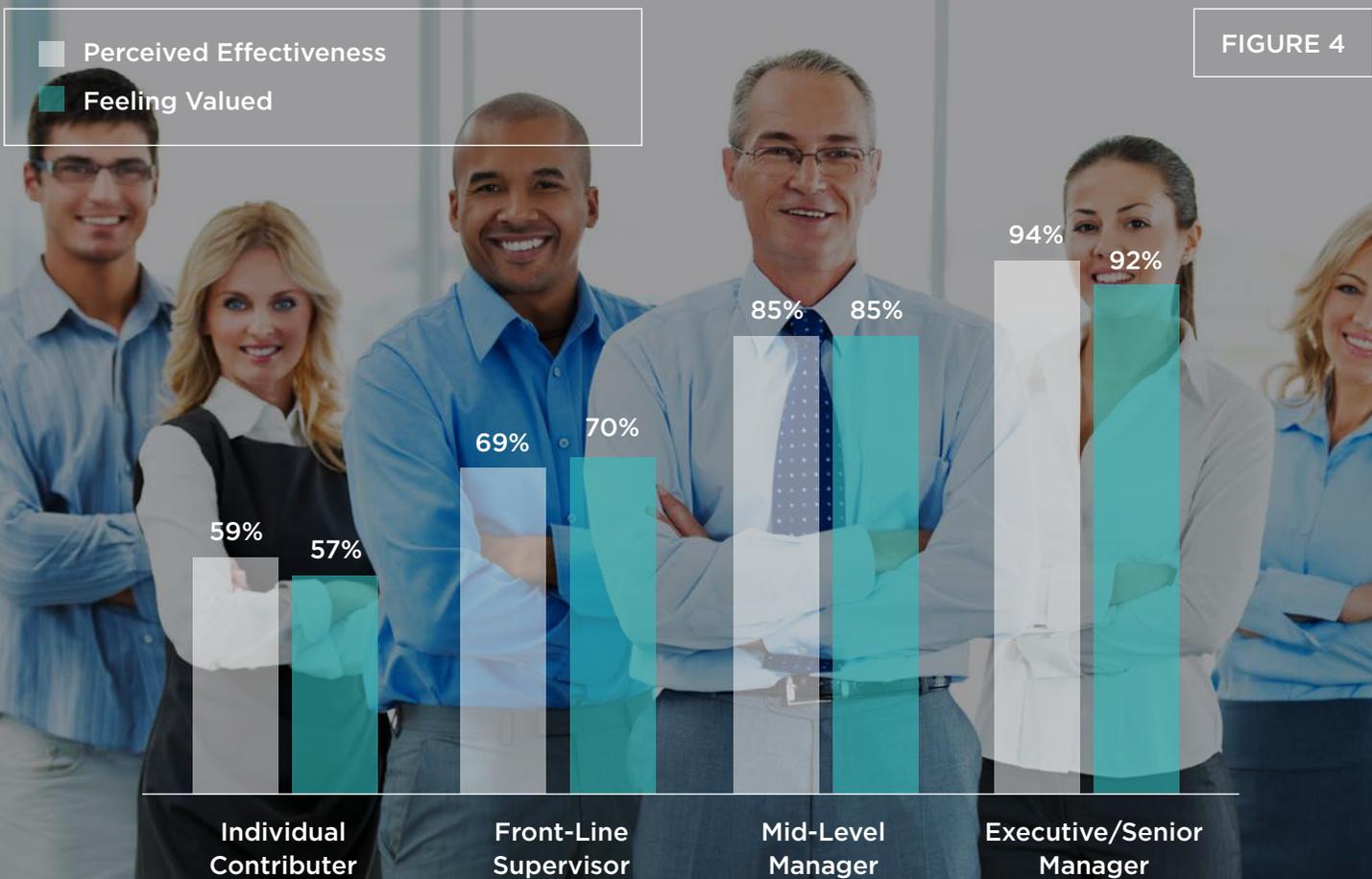


FAVORABILITY toward recognition program by **Management Level**

As management level increases, so does favorability toward service recognition programs.

A clear trend exists: employees at higher levels of managerial status are more likely to report higher favorability scores. For example, 94% of executive/senior managers view these programs as effective, and 92% feel valued because of such programs; meanwhile, nearly six out of ten individual contributors perceive recognition programs to be effective.

FIGURE 4: The percentage of employees, by management level, with formal recognition programs who feel that those programs are effective and help make them feel valued.



EMPLOYEE BELIEF in the value of service recognition programs

The vast majority of employees believe in the value of length of service recognition programs; upwards of 74% of employees agree that recognition programs help people feel valued and appreciated, improve employee engagement, and result in more committed employees.

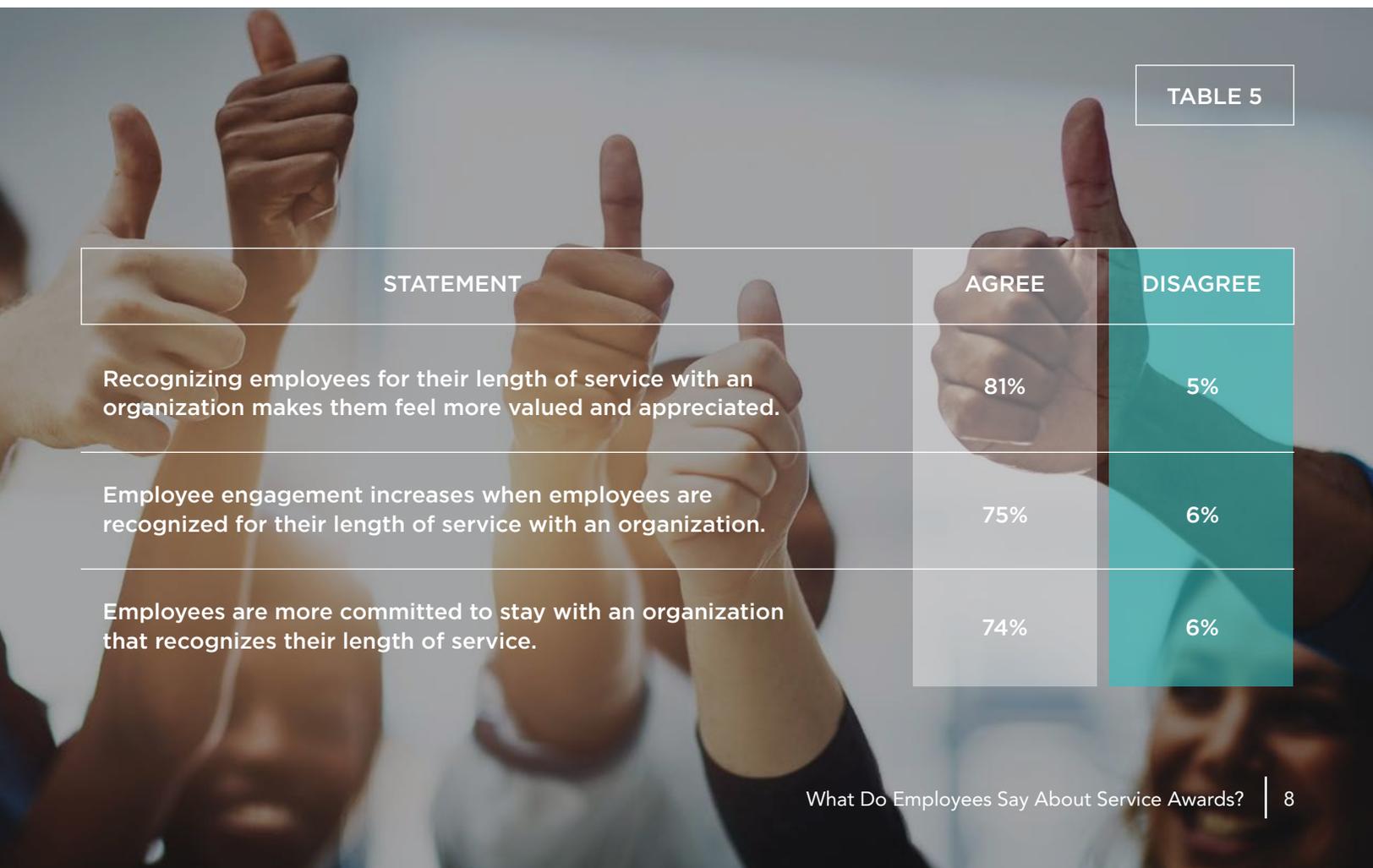
Employees overwhelmingly believe that recognition programs are valuable.

TABLE 5: Three statements were used to assess employees' perceived value of length of service recognition programs. Respondents were asked whether they agree or disagree with each of the following statements:

Statement 1: "Recognizing employees for their length of service with an organization makes them feel more valued and appreciated."

Statement 2: "Employee engagement increases when employees are recognized for their length of service with an organization."

Statement 3: "Employees are more committed to stay with an organization that recognizes their length of service."



STATEMENT	AGREE	DISAGREE
Recognizing employees for their length of service with an organization makes them feel more valued and appreciated.	81%	5%
Employee engagement increases when employees are recognized for their length of service with an organization.	75%	6%
Employees are more committed to stay with an organization that recognizes their length of service.	74%	6%

TABLE 5

Strengthen your competitive advantage
by increasing engagement through a unique
candidate and employee experience.



Employee
Recognition



Talent
Acquisition



Employee
Surveys

How can your company translate employee engagement into a competitive advantage? Engage2Excel helps you create a unique and engaging experience for employees from pre-hire to retirement, to improve talent acquisition, performance and retention.

**Learn more about industry-leading employee engagement solutions from Engage2Excel.
Call 800.688.3024 or visit Engage2Excel.com.**

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