

Globoforce Finds Companies are Wasting Millions on Employee Recognition Programs with No Impact on Employees or Bottom Line

Companies Can Save Money, Maximize ROI and Boost Employee Productivity by Consolidating Programs into a Single, Global, Strategic Effort

SOUTHBOROUGH, MASS., and DUBLIN, IRELAND – March 17, 2009 – Most global companies spend millions of dollars each year on multiple, disconnected recognition programs that simply do not deliver – either to employee satisfaction or to the bottom line. Moreover, these unfocused programs are typically not tracked, so management has no idea how much is being spent and whether or not those dollars actually impact the organization. A [recent survey](#) conducted by recognition strategist [Globoforce](#) revealed that nearly 40 percent of HR leaders have no tool at all to measure the performance of their recognition programs, leaving their CEOs completely in the dark.

In today's economy in which every dollar must be tracked and measured against delivering a valuable outcome, companies simply cannot afford this type of waste. At the same time, companies cannot pay the exorbitant 'price tag' of *not* recognizing employees – who are in dire need of motivation – to lift them out of psychological ruts caused by the financial crisis. As Michael Kesner of Deloitte put it, "The last thing companies need now is for employees to throw in the towel and say, 'I'm not going to work so hard.'"

Companies that figure out how to crack this critical piece of the recessionary code will be among the few with energized and productive workforces that ultimately drive company performance – not only now, but also when the market turns.

So how do companies reign in this form of corporate waste and find new, cost-effective ways to reward and re-energize employees? Globoforce advises global companies to consolidate their costly disparate programs with their buried and widely distributed budgets into one streamlined, [global strategic recognition program](#) designed to touch 80+ percent of their workforce. When administrated properly, these programs can enable companies to save a full 50 to 70 percent of their recognition dollars – all of which can be tracked and measured so executives can see the precise value the program delivers.

"When done right, recognition efforts can create a real win-win for companies," said Derek Irvine, Vice President of Global Strategy for Globoforce. "There's the potential to save literally millions of dollars, while also instituting a far more effective recognition effort that impacts a higher percentage of employees, elevates satisfaction and employee engagement levels, and increases productivity – critical elements companies need now more than ever. The programs we've implemented for our clients have saved them up to 70 percent of their current recognition spend and delivered real and measurable results without any extra budget. And, since our rewards process is based on a global gift card program, there are no shipping costs, which can save companies even more money – in the tens of thousands – over the course of a year. It's a practical, high impact solution that reduces costs and delivers true business benefits."

Irvine noted that by tying the recognition effort to company values and strategic objectives – specifically those that are most important for success in this challenging economy – the program can serve as a great unifier that galvanizes employees around common company goals and values.

"Many people today are so mired in the negativity that they need positive reminders of why they come to work each day and what the company is ultimately trying to achieve. They need a simple thank you or small reward for their hard work and effort, particularly those actions that help achieve strategic objectives in line with the company values," added Irvine. "Frequently and opportunistically recognizing employees for precisely those behaviors or actions leaders need encourages employees to repeat those specific actions while also engaging them more deeply in their jobs and in the company."

In its recent research paper, '[Maximize the Return on Recognition during a Recession](#),' Globoforce explores in depth the following topics, which offer tips and advice on implementing a global strategic employee recognition program without breaking the bank:

- Boosting Morale and Realizing Savings
- The Power of Recognition in a Recession
- Achieving Cost Savings While Increasing Productivity
 - Savings through Proper Program Deployment
 - The Problem with Cash-based Incentives
 - The Problem with Merchandise Rewards
- Five Tenets of Strategic [Recognition in a Recession](#)

To request a copy of 'Maximize the Return on Recognition during a Recession,' [click here](#) or contact [Tim Rossi](#).

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, Nortel, Procter & Gamble and Thomson Reuters, reflects the importance of recognizing and engaging the workforce in the 21st century. For more information, visit <http://www.globoforce.com> or visit the Company's blog at <http://globoforce.blogspot.com/>.

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