

The Total Economic Impact™ Of Workhuman

Business Benefits Enabled By Workhuman

February 2025

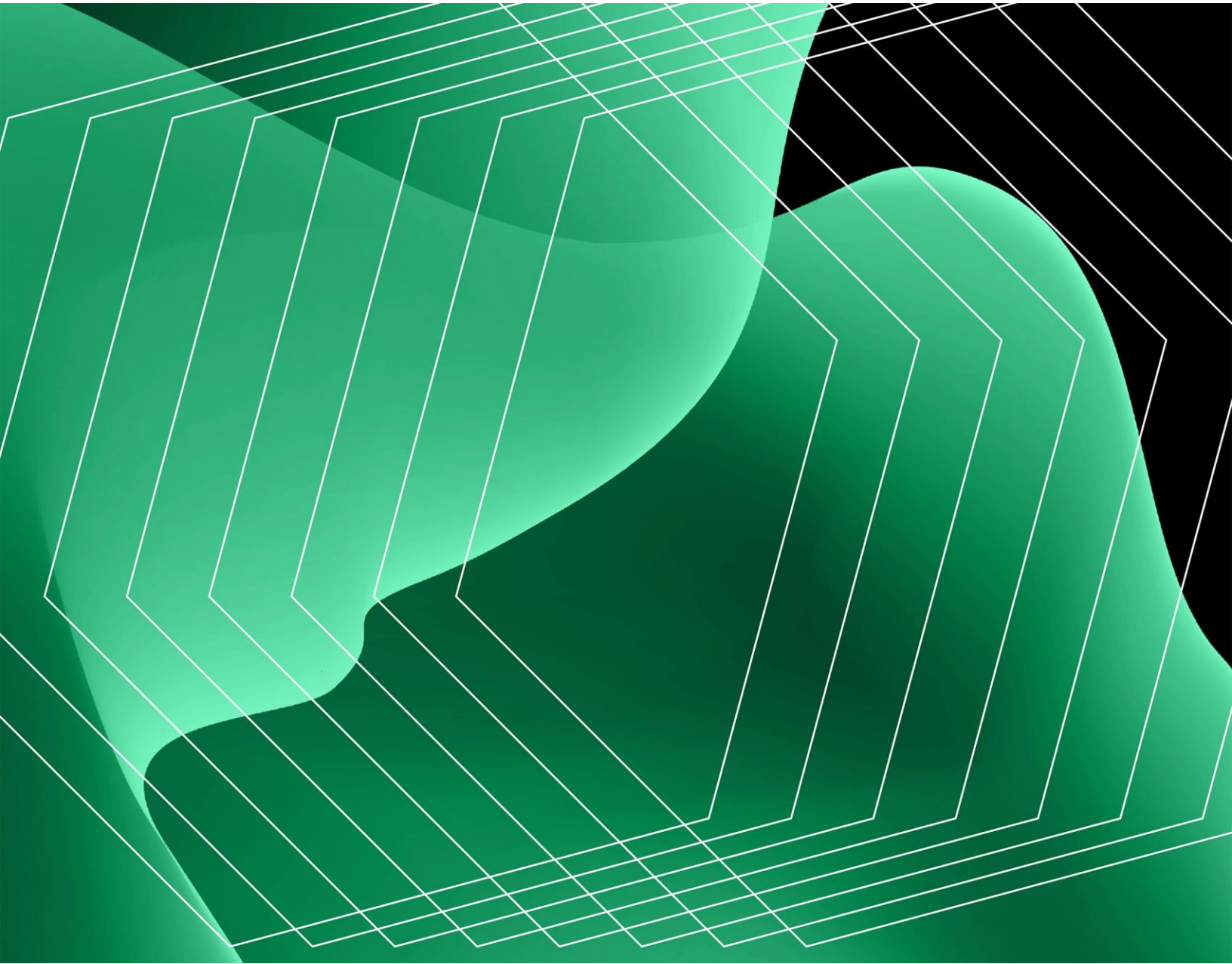


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ABOUT FORRESTER CONSULTING

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Executive Summary

The importance of attracting, retaining, and engaging employees is increasingly critical for organizations, and employee recognition efforts are closely linked with their ability to effectively reinforce cultural norms, enable change, and drive high performance.

Organizations must seek solutions that create an engaging and inspiring environment for employees. Those that do tap into a powerful driver of behavior that contributes to their overall success.¹

[Workhuman](#) is a peer-to-peer social recognition solution that cultivates appreciation, enhances performance, fosters social connections, and promotes inclusivity. Backed by data and science, Workhuman drives ROI and productivity and allows global enterprises to measure the strategic business outcomes of their recognition program. For 25 years, Workhuman has helped global organizations build and foster workplace culture, increase employee retention, and drive desired business results.

Workhuman commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential benefits and financial impacts enterprises may realize by deploying Workhuman.²

To better understand the Total Economic Impact associated with this solution, Forrester interviewed seven representatives from five organizations, representing 430,000 global employees, with experience using Workhuman. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#) that is a global, multibillion-dollar organization with 50,000 employees.

Prior to Workhuman, most interviewees' organizations deployed various tools for employee recognition, most commonly for recognizing years of service achievements. However, overall employee adoption of recognition practices remained low despite implementation. These tools presented service and administrative issues that distracted program administrators from developing and promoting robust employee recognition programs. Without sufficient promotion, programs lacked broad visibility and structure across the organization, and global workforces received inconsistent, and often ad hoc, recognition experiences. Overall, this negatively impacted employee engagement and retention across the interviewees' organizations.

In collaboration with Workhuman, the organizations designed global, peer-to-peer recognition programs. These new programs fostered robust recognition cultures where employees, across varying geographies and worker types, had equal access to participate and were awarded

EXECUTIVE SUMMARY

equitably when recognized. As adoption of the program increased, cross-functional collaboration improved, positively impacting overall organizational culture. With access to customized reporting, leaders at these organizations gained an improved understanding of their recognition programs' impact on desired business outcomes to continuously iterate and improve program design.

After implementing Workhuman, the interviewees' organizations not only experienced an increase in employee engagement, but also improved retention, improved productivity, strengthened overall organizational culture, and elevated the employee experience.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Improved employee retention.** The composite organization designs a recognition program that promotes frequent recognition from managers and peers and provides a mix of monetary and non-monetary awards. Eighty percent of employees adopt Workhuman by Year 3. The composite retains tenured employees that adopt the recognition program at a 4% higher rate annually, representing a 40% improvement in retention. Over three years, this benefit saves the composite \$48.8 million in costs associated with hiring replacement employees.
- **Improved new hire retention.** The composite's new hires — employees with less than one year of employment at the organization — who adopt Workhuman are retained at a 5% higher rate annually, representing a 42% improvement in retention. The composite's recognition program design, which increases employee engagement, also drives retention. Over three years, this benefit saves the composite \$6.8 million in costs associated with hiring replacement employees.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Enhances the company culture.** Workhuman allows employees to directly tie the composite's values to recognition sentiments shared with colleagues. Leaders highlight these recognitions in town halls and companywide discussions about fostering culture.

- **Drives adoption, utilization, and participation through a collaborative, ongoing partnership.** Workhuman's in-house team collaborates with the composite throughout its customized recognition journey — from onboarding and implementation to program adoption and continuous optimization — to ensure employees actively participate in the program and align success with organizational strategy.
- **Provides data science-driven analysis on desired business outcomes.** Workhuman's iQ team helps the composite's HR leaders not only design but also measure and iterate on the business outcome metrics tied to their recognition program. As leaders apply learnings to program design, employees' work experience improves, driving further engagement and retention improvements.
- **Promotes cross-functional collaboration.** Workhuman's peer-to-peer recognition capabilities prompt colleagues who do not frequently work together to share appreciation for one another. This establishes the opportunity for new working groups and greater cohesion across the organization.
- **Fosters fairness in global recognition culture.** With access to platform features focused on promoting employee inclusion, leaders can design a more equitable and consistent recognition program across the global workforce. Workhuman's built-in, AI-driven inclusion advisor, helps employees seamlessly tease out implicit bias in real time during the award process. Additionally, Workhuman's Proprietary Standard of Living Index (SOLI), developed in partnership with Mercer, and the global awards store ensure employees receive an equitable experience when redeeming awards.
- **Facilitates administrative efficiencies through customized reporting and AI-driven insights.** Easily accessible, customized insights provide program administrators with the ability to more effectively and accurately communicate about recognition to leadership, both in terms of program success and overall budget. These built-in analytics reports drives efficiencies for administrators, saving time that would otherwise be spent analyzing the data manually, and empowers administrators to act independently.
- **Improves employee productivity.** Aside from retaining employees, an increase in employee engagement also drives employee productivity. Ultimately, this reinforces the main objective to drive desired business outcomes.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$55.5 million over three years.

“I have this strong belief that recognition programs are a form of performance management because of what the programs can do for employees and the company. It is not just a compensation program.”

DIRECTOR OF GLOBAL COMPENSATION, MANUFACTURING



Benefits PV:

\$55.5M



Improvement in
employee retention:

40%



Improvement in new hire
retention:

42%

Benefits (Three-Year)

Improved employee retention



\$48.8M

Improved new hire retention



\$6.8M

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Workhuman.

The objective of the framework is to identify the benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Workhuman can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Workhuman and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential benefits that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of using Workhuman.

Workhuman reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Workhuman provided the customer names for the interviews but did not participate in the interviews.

Due Diligence

Interviewed Workhuman stakeholders and Forrester analysts to gather data relative to Workhuman.

Interviews

Interviewed seven representatives at organizations using Workhuman to obtain data with respect to benefits and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.

Case Study

Employed fundamental elements of TEI in modeling the investment impact: benefits, flexibility, and risks. Given the increasing sophistication of financial analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see [Appendix A](#) for additional information on the TEI methodology.

The Workhuman Customer Journey

Drivers leading to the use of Workhuman

Interviews				
Role	Industry	Operations	Employees	Revenue
Director of global compensation	Manufacturing	Global	16,000	\$17.3 billion
Senior director of people experience Recognition practice lead	Information technology	Global	90,000	\$57 billion
Senior director of global HR platforms	Food and beverage	Global	310,000	\$91 billion
VP of learning and development systems	Financial services	Global	20,500	\$23 billion
Head of total rewards Compensation specialist	Specialty materials	Global	3,300	\$2 billion

KEY CHALLENGES

Prior to implementing Workhuman, some interviewees' organizations had a long-standing culture of employee recognition, while others were in the earlier stages of defining what recognition meant to their organizations. The majority of interviewees' organizations deployed a variety of tools to support their recognition efforts. These tools had inadequate technology and program design that failed to deliver recognition to a global audience and often had service issues in distributing employee awards appropriately. In general, employee adoption was low, and recognition culture was siloed in individual business units. The interviewees noted how their organizations struggled with common challenges, including:

- **Lack of broad visibility and structure across the organization.** Interviewees described how recognition at their organization prior to Workhuman was leader-driven and not centrally funded. Departments would recognize employees in an ad hoc manner, creating inconsistent experiences across the organization. The senior director of people experience at an information technology organization said: "Before Workhuman the recognition was through the business OpEx, and it was leader driven. It wasn't centrally

funded nor structured as a program. There was no social celebration. There was no broad visibility.”

- **No linkage to company values.** Interviewees described their previous tools as “just vendors.” Their organizations did not emphasize tying recognition to workplace culture, despite having defined company values. This remained a missed opportunity. The senior director of global HR platforms at a food and beverage organization said: “We didn’t put any marketing behind it. We are a big, brand-based organization where we tend to put a lot of communication and marketing behind a lot of our products. We tend to do it internally as well. With our old recognition program, we did nothing.”
- **Inability to deliver recognition to global audience.** All of the interviewees’ organizations had global operations, some with employees in up to 95 countries. This precipitated a need to deliver recognition fairly across the workforce, both in terms of financial fairness in rewarding employees equitably as well as understanding employees’ cultural needs as it relates to recognition. Their previous vendors were unable to deliver on this scale, either because of vendors that only serviced a limited set of countries or as a result of the service and administrative issues detailed below. Interviewees also mentioned the challenges and administrative headaches of achieving global parity for awards. As the director of global compensation at a manufacturing organization shared: “We do want to make sure that we’re not just advancing a US agenda [when designing our recognition program]. ... We want to make sure we meet different [cultural needs].”
- **Service and administrative issues.** Interviewees described the ways in which technical platform issues prevented their organization from focusing on recognizing and awarding employees. The director of global compensation at a manufacturing organization told Forrester: “We signed a three-year contract with that other company. It was absolutely disastrous.” They continued: “They could only fulfill 75% of the recognition e-commerce orders. Their software was clunky. It had bugs; table stakes things were missed. We only used it for 19 months.”

The head of total rewards at a specialty materials organization said: “We had some service issues as well as utilization issues. We didn’t want to increase utilization without resolving the service issues which we were not able to do. The platform also had administrative issues where it dropped users off the platform. It was difficult.”

- **Poor employee adoption.** Without promotion, structure, and a fair recognition program design as well as continued service issues, employees failed to engage effectively in recognizing their colleagues. The director of global compensation at a manufacturing organization said: “Our prior solution was very underutilized. [We gave out] around 5,000 awards a year, and maybe we had 7,000 employees at the time.”
- **Lack of customized reporting and insights.** Interviewees had little to say regarding the reporting capabilities from their prior vendors. Their organizations gained little insight into how to effectively develop and focus their recognition culture over time. The VP of learning and development systems at a financial services organization said: “We didn’t have the ability to customize the reporting. It was static. You edited it into a spreadsheet.”

"[Four years ago,] the worst rated score on our organization's health employees survey was, 'I feel recognized for the work I do at my organization.' We brought the vendors in, we chose and contracted with Workhuman, and the rest is history."

SENIOR DIRECTOR OF GLOBAL HR PLATFORMS, FOOD AND BEVERAGE

SOLUTION REQUIREMENTS

The interviewees’ organizations searched for a solution that could:

- Deliver peer-to-peer recognition for their global workforce.
- Address the unique needs of frontline and knowledge workers.
- Provide a simple user experience with all recognition types on one platform.
- Tailor the recognition program design to organizational needs and priorities.
- Provide dynamic reporting.

- Provide awards to employees reliably.

After a request for proposal (RFP) and evaluating multiple vendors, the interviewees' organizations chose Workhuman and began deployment. To successfully realize the value of their new investment, the interviewees described the process in which their organization collaborated with Workhuman to design their recognition program and support internal change management initiatives. While each program was unique to organizational strategy, the designs included employee participation and activity levels as well as performance metrics to track over time. Organizations appreciated the ability to customize the platform for their employees, particularly noting the ability to tie recognition directly to their company values.

- The senior director of global compensation at a food and beverage organization shared: "Most of what we had to be trained on were our own decisions. What are our award levels? What are we going to recognize people for? What are we going call the program? How do you do the recognition? Who's eligible to send awards? Can anyone receive any level award?"
- The head of total rewards at a specialty materials organization said, "We had four goals: retention metrics, penetration within the company, how many employees received [awards], and [how many] gave awards."
- The director of global compensation at a manufacturing organization elaborated on their organization's defined metrics: "We wanted to get to 80% reach within the first year. We exceeded that reach. We also set a target for 50% of employees giving at least one award. This is no small feat given we are constantly ushering in new employees. We're proud of these statistics."
- The senior director of people experience at an information technology organization commented, "Generally speaking, we have about 75% of leaders participating and about 50% of individual contributors participating in the program."

The interviewees explained that Workhuman continued to partner with their organization on program design beyond initial implementation. Highlighting the importance of tailoring the program to employees' evolving needs, the senior director of global HR platforms at a food and beverage organization said: "Years later, we're still engaged with the same team at Workhuman, and we're keeping the program fresh. It's not set it and forget it. It's more about keeping it alive."

Voice Of The Customer Spotlight

Why Workhuman?

When asked why they selected Workhuman, interviewees echoed three aspects: the access to Workhuman iQ analytics, the ability to meet their organization's global scale, and the willingness of Workhuman to understand audience needs and tailor the experience.

The director of global compensation at a manufacturing organization said: "I've used stats from [independent sources] to make my pitches to leadership, and they're often like, 'Hmm. Ho-hum.' I can talk about how great those survey sources are, but they want to know our own data. Now we have our own data, and it was even more compelling, which is great."

The senior director of global HR platforms at a food and beverage organization shared: "[Workhuman] has been a good partner for us in scaling our program. [We have] 90,000 people [in] 40 countries ... it's a lot. I think they have insights on how to leverage their platform and where we need customized solutions from their team." They continued, "That's what really won us over — the fact that they seem to understand us."

The head of total rewards at a specialty materials company said: "We narrowed it down to five providers. [Workhuman] had a global presence in the countries that we needed to serve and had the technical team to look at our [organization's value metrics]."

“We have a wholly owned subsidiary. They heard such great things from our employees about Workhuman that they ended up implementing a cloned version of the program for themselves in 2022.”

DIRECTOR OF GLOBAL COMPENSATION, MANUFACTURING

“We didn’t even have a manufacturing plant in Malaysia when we launched Workhuman. Now we have 2,000 new employees and they’re using the program like crazy.”

DIRECTOR OF GLOBAL COMPENSATION, MANUFACTURING

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a benefits analysis that illustrates the areas financially affected. The composite organization is representative of the seven interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The global, multibillion-dollar organization has 50,000 employees who are a mix of knowledge and frontline workers. The composite’s annual new hire rate is 10%.

Deployment characteristics. The composite implements four Workhuman modules: Social Recognition, Service Milestones, Celebrations, and Life Events. Points are awarded and redeemable for Social Recognition and Service Milestones. The budget for recognition is centralized at the organizational level and the composite retires its previous recognition software vendor after the investment in Workhuman. The composite collaborates with Workhuman to design and implement a social recognition program that results in 80% employee adoption, the

number of employees actively giving and receiving recognition, by Year 3. To ensure successful adoption, the composite and Workhuman team navigate and implement internal change management processes to ensure leaders across the organization encourage participation.

Key assumptions

Multibillion-dollar organization

Global operations

50,000 employees

10% new hires annually

Mix of knowledge and frontline workers

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Improved employee retention	\$17,901,000	\$19,278,000	\$22,032,000	\$59,211,000	\$48,758,835
Btr	Improved new hire retention	\$2,493,900	\$2,677,500	\$3,060,000	\$8,231,400	\$6,779,015
	Total benefits (risk-adjusted)	\$20,394,900	\$21,955,500	\$25,092,000	\$67,442,400	\$55,537,850

IMPROVED EMPLOYEE RETENTION

Evidence and data. Interviewees explained that employee retention metrics tied to recognition were closely tracked at their organization. Interviewees shared that internal studies of their own employee data indicated that higher employee adoption of peer-to-peer social recognition practices drove higher engagement levels and higher retention for tenured employees (employees working at their organizations for at least one year).

- When asked to describe the overall value of Workhuman, the head of total rewards at a specialist materials company said, “It’s an increase in employee engagement and a decrease in turnover.”
- The senior director of people experience at an information technology organization confirmed, “We do have analysis that shows that higher engagement leads to lower voluntary attrition.” They continued: “It was actually lower dollar value recognition. We can afford to do more of it and more is better. This is from a peer-to-peer standpoint. That’s one of the things that we learned through the study that led to our redesign. For the leaders, the dollar amount was a little bit more important.”
- The director of global compensation at a manufacturing organization said: “We found that the highest retention occurred by coupling points-based recognition with eThanks — a non-monetary recognition and cash award. If they were just using cash, the retention was not as [high].”

- The director of global compensation continued: “[What was helping on the retention side] was that employees were getting frequently recognized, not just by their manager but also by their peers. We also found great statistics on retention if people were both giving and receiving.”
- On Workhuman adoption, the VP of learning and development systems at a financial services organization said: “Recognition is lumped into our culture. It’s ingrained in our culture. We have very, very high usage in the [Workhuman] tool.”
- In a similar vein, the senior director of people experience at an information technology organization shared, “We’ve increased peer-to-peer participation 35% year over year since launching the program.”

Voice Of The Customer Spotlight

Retention Drivers

Interviewees explained that the following program design characteristics drove the largest improvement in employee retention:

Frequent recognition with smaller award values

A mix of both peer and manager recognition

A mix of eThanks and monetary/points awards

Actively receiving and giving recognition

Modeling and assumptions. For the financial analysis as applied to the composite organization, Forrester assumes:

- There are 50,000 employees, of which 90% are tenured employees who have at least one year of employment at the composite.
- The attrition rate before Workhuman was 10%.

ANALYSIS OF BENEFITS

- The reduction in attrition rate with Workhuman is 4%, resulting in an attrition rate of 6%.
- The Workhuman adoption rate is 65% in Year 1, 70% in Year 2, and 80% in Year 3.
- The composite retains 1,170 employees in Year 1, 1,260 employees in Year 2, and 1,440 employees in Year 3.
- The cost to replace an employee is \$18,000, or one-third of the average employee's salary.

Risks. This benefit may vary among organizations based on:

- The number of employees and length of employment.
- The attrition rate before Workhuman.
- The extent to which employees adopt Workhuman.
- The cost to replace an employee, which may include recruiting/interviewing time, training time and costs, and other indirect costs (e.g., lost productivity, etc.).

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$48.8 million.

40%

Improvement in retention for tenured employees using Workhuman

Improved Employee Retention					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Employees	Composite	50,000	50,000	50,000
A2	Percentage of tenured employees	Composite	90%	90%	90%
A3	Attrition rate before Workhuman	Composite	10%	10%	10%
A4	Reduction in attrition rate with Workhuman	Interviews	4%	4%	4%
A5	Attrition rate after Workhuman	A3-A4	6%	6%	6%
A6	Employees retained using Workhuman if full adoption	(A1*A2*A3)-(A1*A2*A5)	1,800	1,800	1,800
A7	Workhuman adoption rate	Interviews	65%	70%	80%
A8	Employees retained	A6*A7	1,170	1,260	1,440
A9	Cost to recruit and train employee replacement	Composite	\$18,000	\$18,000	\$18,000
At	Improved employee retention	A8*A9	\$21,060,000	\$22,680,000	\$25,920,000
	Risk adjustment	↓15%			
Atr	Improved employee retention (risk-adjusted)		\$17,901,000	\$19,278,000	\$22,032,000
Three-year total: \$59,211,000			Three-year present value: \$48,758,835		

IMPROVED NEW HIRE RETENTION

Evidence and data. Interviewees explained that the same drivers for tenured employees held true for new hires: higher adoption of recognition led to higher engagement and retention levels. For new hires (those employed for less than one year) interviewees explained there was a higher attrition rate across the organization and a higher improvement in retention because of Workhuman.

Modeling and assumptions. Based on the interviews, Forrester makes the following assumptions about the composite organization:

- There are 50,000 employees, of which 10% are new hires.
- The new hire attrition rate before Workhuman was 12%.

- The reduction in the attrition rate with Workhuman is 5%, resulting in an attrition rate of 7%.
- The Workhuman adoption rate is 65% in Year 1, 70% in Year 2, and 80% in Year 3.
- The composite retains 163 employees in Year 1, 175 employees in Year 2, and 200 employees in Year 3.
- The cost to replace an employee is \$18,000, or one-third of the average employee's salary.

Risks. This benefit may vary among organizations based on:

- The number of new hires.
- The new hire attrition rate before Workhuman.
- The extent to which employees adopt Workhuman.
- The cost to replace an employee, which may include recruiting/interviewing time, training time, and other indirect costs (e.g., lost productivity, etc.).
- The vacancy periods and time to fill roles based on revenue, per employee standards.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$6.8 million.

42%

Improvement in retention for new hires using Workhuman

ANALYSIS OF BENEFITS

Improved New Hire Retention					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Employees	A1	50,000	50,000	50,000
B2	Percentage of employees who are new hires	Interviews	10%	10%	10%
B3	New hires	$B1 \times B2$	5,000	5,000	5,000
B4	New hire attrition rate before Workhuman	Composite	12%	12%	12%
B5	Reduction in new hire attrition rate with Workhuman	Interviews	5%	5%	5%
B6	New hire attrition rate after Workhuman	$B4 - B5$	7%	7%	7%
B7	New hires retained using Workhuman if full adoption	$(B3 \times B4) - (B3 \times B6)$	250	250	250
B8	Workhuman adoption rate	A7	65%	70%	80%
B9	New hires retained (rounded)	$B7 \times B8$	163	175	200
B10	Cost to recruit and train employee replacement	A9	\$18,000	\$18,000	\$18,000
Bt	Improved new hire retention	$B9 \times B10$	\$2,934,000	\$3,150,000	\$3,600,000
	Risk adjustment	↓15%			
Btr	Improved new hire retention (risk-adjusted)		\$2,493,900	\$2,677,500	\$3,060,000
Three-year total: \$8,231,400			Three-year present value: \$6,779,015		

Voice Of The Customer Spotlight

Driver Of Employee Engagement

The senior director of people experience at an information technology organization told Forrester, “We know recognition moves the needle on engagement.”

Forrester research states: “Engagement is a strong driver of profitability and retention, and recognition plays a key role in supporting engagement. When employees feel seen and valued for their contributions, they are more likely to stay and contribute at a high level.”³

Interviewees explained how their organizations fielded annual employee engagement surveys after implementing Workhuman and shared the following:

The director of global compensation at a manufacturing organization explained, “We look to our performance management program and recognition program to help with keeping our engagement score high.” An annual employee survey conducted over the last four years showed a two-point increase in recognition scores. The survey question asked, “Do you feel recognized by your manager?” There was also a two-point increase in responses to a question akin to, “Would I recommend this company?”

The VP of learning and development systems at a financial services organization said: “Employees use it and appreciate it. If [Workhuman] went away, employees would be upset.”

UNQUANTIFIED BENEFITS

The interviewees mentioned the following additional benefits that their organization experienced but were not able to quantify:

- **Enhances company culture and values.** Forrester research states, “Recognition platforms are a powerful tool for publicly showcasing behaviors aligned with

organizational culture.”⁴ With the ability to directly tie recognition sentiments to company values within the Workhuman platform, employees share and remind one another of how they embody the company culture. Leaders also gain the ability to highlight particular employee recognitions and contributions at department or companywide meetings during discussions of culture and values.

- The senior director of global HR platforms at a food and beverage organization said, “Every time you recognize someone, you choose one of our seven company behaviors.”
- The director of global compensation at a manufacturing organization said: “In our employee survey, it constantly iterates that employees are overall living our core values. I feel that having a recognition program that reinforces the core values really supports a culture of belonging and community.”

“There’s not just one person that has to try and force culture. Employees see it on their awards feed. I think it enhances the culture because everyone’s participating and reading what their colleagues have been recognized for.”

COMPENSATION SPECIALIST, SPECIALTY MATERIALS

- **Drives adoption, utilization, and participation through a collaborative, ongoing partnership.** Workhuman collaborates with HR leaders throughout their customized recognition journey — from onboarding and implementation to program adoption and continuous optimization — to achieve success that’s aligned with organizational strategy. Workhuman dedicates in-house onboarding specialists to support leaders in understanding and overcoming employee adoption challenges. The Workhuman team also supports program administrators in understanding how the platforms’ embedded technology continues to evolve and offer new value. Leaders appreciate Workhuman’s

willingness to listen and iterate on product feedback as their organizational needs for recognition change.

- **Provides data science-driven analysis on desired business outcomes.**
Workhuman's social analytics team helps design and measure the impact of the most important business outcome metrics tied to recognition. This allows HR teams to communicate the success and tangible impact of recognition across their organization to leadership. These metrics also optimize the worker experience for employees and drive engagement, retention, and company culture.
 - **Promotes cross-functional collaboration.** The peer-to-peer aspect of the Workhuman platform gives colleagues who do not routinely work together the opportunity to recognize one another and establish a greater connection. This cross-functional approach creates the possibility of new future working groups and cohesion across the organization.
 - The VP of learning and development systems at a financial services organization said: "There's a lot of people that step in and help on a lot of different projects. It's a great opportunity for somebody who's maybe not the direct manager of somebody to say, 'Hey, I have this project team that's been working on this with me. I'd love to send these five awards.' It allows that cross-functional recognition."
 - **Fosters fairness in recognition culture.** With access to platform features focused on promoting employee inclusion, leaders can design more equitable and consistent giving and receiving recognition practices. Consistent recognition is of particular importance to different types of workers (knowledge workers versus deskless workers) who may have access to different types of technology. Workhuman's SOLI reflects the spending patterns of employees and ensures a fair and consistent award experience for employees worldwide.⁵ The inclusion advisor capability embedded within Workhuman helps employees tease out implicit bias in recognition award descriptions. Finally, the Workhuman global reward store provides access to employees in all countries for reward redemption in the same manner.
 - The senior director of people experience at an information technology organization said: "We've made it a long way with this new design where we've taken it all totally up to corporate on the main program side. That's what opened
-

up the flexibility for more fairness and equity in our culture. It's not dependent on how the leader chooses to let people use the budget."

- The senior director of global HR platforms at a food and beverage organization said: "There is a constant focus on frontline [workers]. Are they using it? Are they valuing it? The redemption piece is really important."
 - **Facilitates administrative efficiencies through customized reporting and AI-driven insights.** Managers and program administrators leverage the platform's reporting capabilities to replace manual tasks. With customized reporting, program administrators can more effectively and accurately communicate global recognition efforts to leadership, both in terms of program success and overall budget spend. Based on the interviews Forrester conducted, administrators may save up to 20% of their time on responsibilities related to managing their recognition program.
 - The senior director of people experience at the information technology organization told Forrester: "We are partnering very closely with Workhuman to build more customizable options into their insights given the way our data is structured. ... They provide benchmarking on behaviors which informs some of our KPIs and what we target. We've received insights from them as well around how to scale and go to market especially with our new launch."
 - The VP of learning and development systems at a financial services organization said, "They do have the recognition intelligence portal, which provide easy dashboards to reference."
 - The senior director of people experience at an information technology organization shared, "Workhuman has brought more capabilities into our own admin functionality in the tool which is more efficient for us."
 - **Improves employee productivity.** In addition to retaining employees, an increase in employee engagement also drives employee productivity. Ultimately, these benefits reinforce the main objective of driving desired business outcomes. The senior director of people experience at an information technology organization shared: "We have studied productivity through our best team's connection to engagement. We know that our best teams are the most productive teams with the highest engagements." As the director of global compensation at a manufacturing organization said, "The groups that are using recognition the most and the most effectively are the highest performing groups."
-

“Our CEO and CFO, our senior leaders, have mentioned the program. ... Some have referred to it as the most successful program we’ve ever rolled out.”

SENIOR DIRECTOR OF GLOBAL HR PLATFORMS, FOOD AND BEVERAGE

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Workhuman and later realize additional uses and business opportunities, including:

- **Evolving business outcome metrics and analysis depth.** Interviewees shared excitement for continued analysis of the ways in which Workhuman drives business outcomes for their organization. They explained how analyzing the data — by slicing it in new ways and focusing on entirely new metrics — would allow them to further optimize their recognition program design.
 - At the time of the interviews, the compensation specialist at a specialty materials organization told Forrester that their organization was in the middle of analyzing recognition’s impact on absenteeism. The compensation specialist also indicated worker safety as an area of continued analysis. They said, “We’ve talked about implementing a safety program to correlate turnover and workplace incidents.”
 - The compensation specialist continued: “They’re also working on a diversity metric. They’re doing a gender analysis and demographic analysis too. It’s the first time we’ve looked to understand if there’s any discrepancies [in these areas].”
 - The director of global compensation at a manufacturing organization said: “I’m hoping by next year to evolve metrics by region to take into account the worker categories and the percentage of managers. Right now, we’re still looking at a lot of things just globally.”

- **Promoting in the moment recognition via integrations.** By integrating existing tools and systems within the HR stack, including email and messaging platforms, interviewees shared how their organizations can more easily provide ways for employees to recognize collaborations and projects that are still top of mind. The VP of learning and development systems at a financial services organization shared: “It gives us that space, and we’re really looking forward to having it integrated in some of the day-to-day platforms like email and instant messaging. Having it ready and out there makes life a little bit easier, and maybe that’ll encourage more of that in the moment recognition.”
- **Expanding recognition to additional employee groups.** After recognizing the success of Workhuman across their global full-time workforce, some interviewees expressed desire to offer similar capabilities to other contributing groups. The senior director of global HR platforms at a food and beverage organization said: “We have a separate contractor system that has contractors in there. There’s been a request saying, ‘Why can’t we recognize our contractors?’” Integrations also allow organizations to adapt to meet the unique needs of their employee base.
- **Using AI capabilities to drive further employee engagement.** As AI continues to evolve the HR field, interviewees recognized the potential impact of Workhuman’s integration of advanced analytics and bias-mitigation tools. Interviewees shared examples of how their organization capitalizes on Workhuman’s evolving AI capabilities to optimize the employee experience, drive further adoption, and create efficiencies for program administrators.
 - The senior director of global HR platforms at a food and beverage organization shared a few examples of further engaging employees to interact with the platform: “How do we target communications to employees who may not be using it as well? How do we help employees write a recognition?”

“We’re always pushing the boundaries with Workhuman. There’s a lot of expectation in them being forward thinking, and they’re already doing some of this work and then aligning it with our own strategy around AI.”

SENIOR DIRECTOR OF PEOPLE EXPERIENCE, INFORMATION TECHNOLOGY

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

Appendixes

APPENDIX A: TOTAL ECONOMIC IMPACT

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Benefits Present Value

The present or current value of (discounted) benefit estimates given at an interest rate (the discount rate).

Discount Rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

All cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total benefit estimate. Sums and present value calculations of the Total Benefits may not exactly add up, as some rounding may occur.

APPENDIX B: SUPPLEMENTAL MATERIAL

Related Forrester Research

[The Employee Recognition Landscape, Q1 2023](#), Forrester Research, Inc., January 4, 2023.

[The Five Forces That Impact Your Recruitment, Development, And Retention Of Top Digital Talent](#), Forrester Research, Inc., March 7, 2024.

APPENDIX C: ENDNOTES

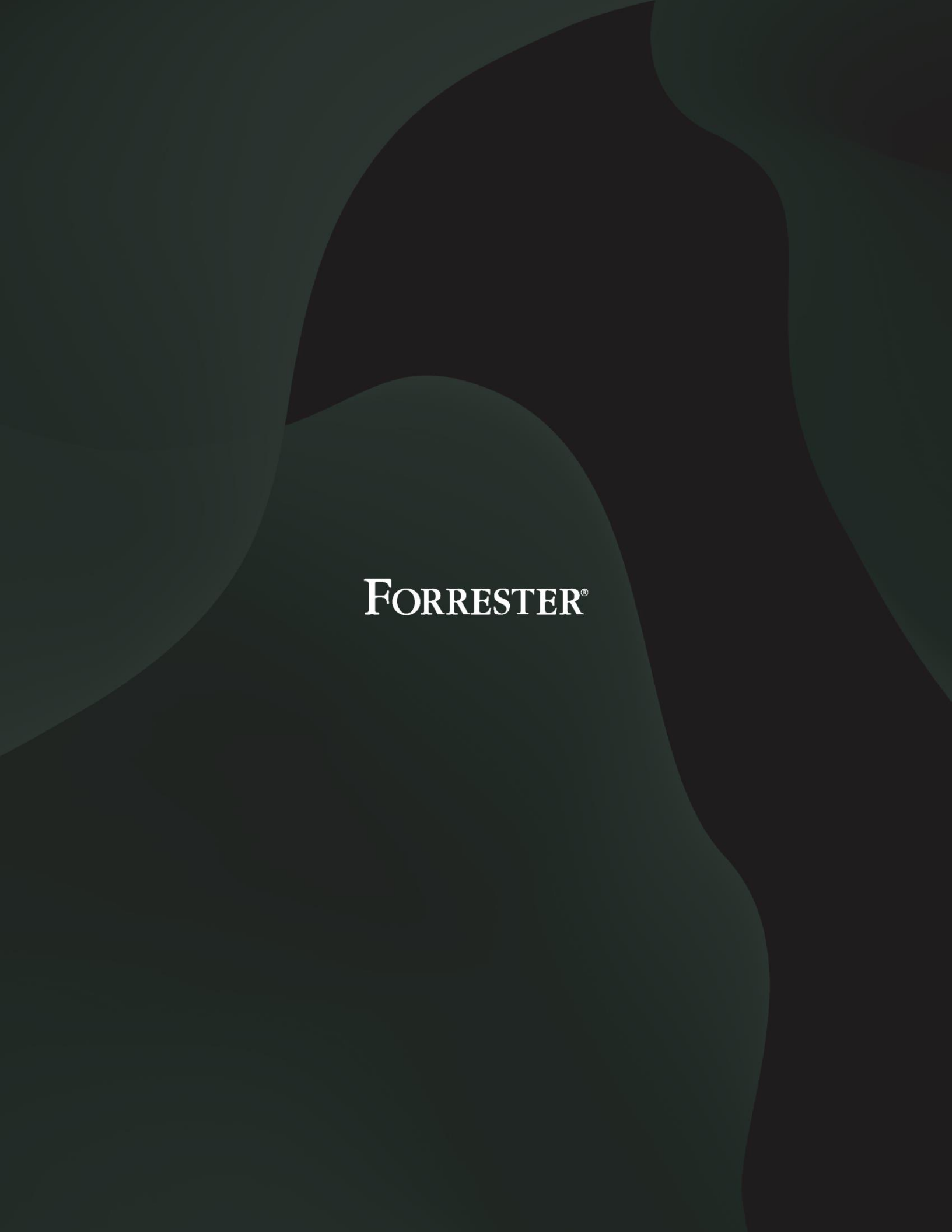
¹ Source: [The Employee Recognition Landscape, Q1 2023](#), Forrester Research, Inc., January 4, 2023.

² Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

³ Source: [The Employee Recognition Landscape, Q1 2023](#), Forrester Research, Inc., January 4, 2023.

⁴ Ibid.

⁵ Workhuman's Standard of Living Index (SOLI) is the only recognition-specific Standard of Living index developed in partnership with Mercer. It's designed to provide equitable global recognition programs to the world's largest enterprises, ensuring a fair and consistent reward experience for employees worldwide. It considers a select market basket of goods and services in each location, reflecting the type of merchandise and services for which employees typically redeem employee recognition awards. This ensures that employees in various regions receive equivalent value for their recognition awards considering cost-of-living differences. SOLI goes beyond the traditional "Big Mac Index" by considering a broader and more representative range of items. The items are selected from five categories: home goods; clothing; sports, entertainment, and recreation; and food away/dining out. This comprehensive approach ensures that the index accurately reflects the actual spending patterns of employees.



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