

welcome to brighter

# Workhuman analyst day

Analyst event | September 2024

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Workhuman, known for their global rewards and recognition platform, hosted an analyst event in their new state-of-the-art headquarters in Framingham, Massachusetts. The Workhuman leadership team shared their latest updates, as well as their plans for the future with an intimate group of HR tech analysts and influencers, all of which emphasized their mission to make work more human.

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## Reconciling with Rewards & Recognition's 'fluffy' past

For years, rewards and recognition (R&R) programs took a top-down approach, centered mainly around service milestones (anniversaries, promotions, tenure), with employees receiving the obligatory plaque that, if they were lucky, was accompanied by a nice gift such as a watch or high-end pen, but more often than not came with little more than a coffee mug or a branded keychain. But in recent years, not only have we seen recognition take on a bigger role in the R&R space with praise and appreciation becoming a new form of currency inside the workplace, but we've also seen a democratization of rewards with the rise of peer-to-peer recognition.

These shifts briefly ushered in a period where recognition connected us when we were holed up in our homes during COVID, and our shared sense of purpose and values helped us brave the toughest crisis most of us had faced in our lifetimes. But as pandemic fears quelled, we got back to business as usual, and the magic of rewards and recognition we saw during the pandemic seemed to fade, or at least take a backseat to more pressing concerns, like cost containment and efficiency. And that's where R&R sits today – it's seen as hard-to-measure and often considered a cost center instead of a mechanism for growth – and so it lives mostly in Total Rewards where buyers are conditioned, and incentivized, to operate programs in a way that maximizes efficiency over effectiveness.

So, it was refreshing to see that Workhuman has remained steadfast in their commitment to delivering maximum cultural and business impact through rewards and recognition, seeing the space for more than just a commodities exchange, but instead the foundation for business agility. And their efforts appear to be paying off, with their average customer having been with them for seven years (and counting) and their revenue continuing to grow consistently. It's clear they're doing things differently.

## Workhuman's platform aims to capture recognition, and tie it to meaningful rewards, in several ways:

- **Social recognition** is an enterprise-wide social feed used to call positive attention to the contributions and values of team members
- **Service milestones** celebrate work achievements, such as work anniversaries, promotions and retirement
- **Life events** bring non-work celebrations to light, including a new home, new pet or the arrival of a new baby, so others can celebrate, share and find commonalities
- **Community celebrations** bring together people with common interests, events or initiatives, such as employee resource groups (ERGs), volunteer initiatives and regional or cultural events
- **Conversations** offers check-ins, feedback and priority-setting to help support employee development
- **AI Assistant** helps senders craft their messages of praise and celebration, while also checking for unintended bias in language



## Using friction for good

While most technologies aim to eliminate friction for people, Workhuman aims to insert “good friction” into the rewards and recognition experience to help people get more value from it. For example, while they offer up AI-writing assistance (after all, starting with a blank page can be both daunting and dissuading), they prompt the writer to be thoughtful and specific in their praise, so it offers real meaning to the recipient. It just so happens that doing this also helps create more meaning for the giver of the praise, which creates an almost perpetual motion of purpose at work.

In addition to their technology offering, Workhuman offers an ecommerce store with hand-sourced catalogs from around the world to provide meaningful and culturally relevant rewards to employees globally. But what's really unique about Workhuman recognition is it's purposely tied to higher value rewards, which encourages the giver to put a little more thought and effort into the praise, making it more meaningful and memorable to the recipient. This model flips the cost-containment approach on its head and begs the market to give up the “everyone gets \$5 to spend” mentality that leads to recognition that feels empty and rewards that feel worthless.



## The proof is in the data

Workhuman realized early on that proving the value of R&R programs was really hard, so they invested in a data science unit whose sole purpose is to correlate recognition activity to other metrics across HR and the business. This team has helped so many clients, they decided to productize the intelligence in the new Workhuman iQ offering that helps leaders dive into the impacts of their programs, whether that's on retention and engagement, or safety and performance measures.

But the power of data goes beyond merely proving the value of recognition programs, because when recognition is captured with greater context and weight, it has the potential to serve up more than employee morale, extending into true workforce intelligence. When someone is praised for the skills and capabilities on a project, there are signals there on what they might do well, how they work with others, and what they might be capable of in the future. All of that can be captured, and validated through more recognition, so that you end up with a passive employee listening engine that can surface more intelligence into your workforce.



## Workhuman isn't for everyone

While Workhuman offers a robust, global rewards & recognition platform, their offering isn't for everyone.

- **If you're looking for a recognition platform to use in a limited capacity inside your organization, Workhuman likely won't work for you. While they have a limited number of "partial" use cases, the vast majority of their install base (90%) leverages the platform enterprise-wide, so they don't offer pilots, and they don't follow the typical "land-and-expand" approach some vendors do.**
- **If you manage your R&R program with a lens towards cost management and efficiency, the pricing model Workhuman offers won't align easily with your goals. The Workhuman model is predicated on higher investments leading to better outcomes, and the Workhuman team won't advocate for programs that they don't see serving those larger end goals.**
- **If you're not committed to finding the budget to support a program like this, you probably won't be able to come to terms with the Workhuman pricing model. While the Workhuman team can help you uncover hidden costs and risks around existing rogue recognition programs, as well as find budgets from which you can carve out dollars to support a high-end R&R program, this requires organizations to have some serious conversations around what's important and what they truly believe will move the needle.**
- **Smaller organizations don't tend to gravitate as much toward Workhuman as larger organizations, with most Workhuman customers weighing in at 3K+, with many greater than 10K+ employees. Part of this is due to the cost of the programs, but part of this is also due to the resourcing commitments required to get a solid return on this kind of investment.**

That said, Workhuman supports clients on every continent around the world, and they integrate with hundreds of payroll systems to make compliance easy. They offer a global catalog of rewards and have the ability to quickly spin up new regions with hand-curated catalogs. More importantly, they offer a return on investment (ROI) guarantee – if you don't meet your ROI, they don't get paid their fees, putting them on the hook for your success. Finally, the Workhuman team is committed to being flexible with their clients, so they've been known to pause a client's contract and move them to an "e-thanks" recognition-only offering until their client is able to reinstate the monetary rewards side of the equation.



## Our advice

### To leaders:

If you're an HR, Talent or Experience leader ready to unlock a modern rewards and recognition experience that you can easily defend through HR and business outcomes, you'll want to look at Workhuman. They won't help you cut your costs on rewards & recognition programs, but they will help you prove the impact of those programs, as well as derive more meaningful engagement from them. What's more, the data exhaust from the recognition offering can offer another lens through which you can better understand, develop and deploy your workforce. If you're in Total Rewards, Workhuman might be a harder sell, and quite frankly, it may not fully align with your objectives. But if you're committed to delivering a rewards program that delivers real business impact, it's worth exploring what Workhuman has to offer, and potentially sparking up a conversation with your counterparts in Talent Management or Employee Experience to see how you could all work together to create a more effective R&R approach.

### To Workhuman:

Workhuman's use of data to power workforce intelligence and greater organizational agility is a brilliant move, making topics like skills and employee development more accessible to organizations that already leverage Workhuman for recognition and rewards. For most organizations, knowing where to get started is the hardest part, but with Workhuman, organizations can at least start to get a sense of the skills, abilities, and motivations of their employees, which can be used on its own, or in tandem with other data to help with workforce planning, upskilling and reskilling of employees, and manager guidance.

However, Workhuman faces an uphill battle ahead in aligning to the right buyer. Their traditional R&R buyer sits in Total Rewards where cost-cutting is often top-of-mind. This already doesn't jive with the investment-heavy approach prescribed by Workhuman, but when you add on top of this the new capabilities around skills identification and workforce planning, that buying persona makes even less sense. If Workhuman wants to capitalize on this expanded direction, they'll need to pivot quickly to the right buyer, who likely sits in Talent, Employee Experience or even People Analytics. The problem is these buyers aren't necessarily conditioned to look at recognition platforms as a natural source of data for prediction and performance. That will take a lot of unlearning, coupled with hard evidence that this data can power what Workhuman promises it can. Learn More: <https://www.workhuman.com/>



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