

# Reward Preferences Study



September 2020

- During these challenging times, employees in all industries need to feel valued, particularly those who put themselves at risk through public interactions.
- Many companies are forced to do more with less, putting an additional strain on human resources.
- While many executives and managers want to express appreciation for outstanding performance, they often lack insight as to which recognition strategies appeal the most to their workers.
- A key consideration is that, sometimes, what people say they want most (e.g., cash bonuses) may not be linked with greater engagement outcomes. Therefore, careful consideration has to be given to stated preferences vs. latent motivation value.
- There may be times when people will not name a certain reward as a top preference, but some recognition approaches represent 'latent' delighters, e.g., things that people don't think of as a reward priority, but nonetheless like them a lot when they receive them.
- The goals of this study are to both understand preferences, as well as the impact of recognition/strategies and employee engagement and to identify balancing factors between stated preferences and outcomes.

# Key Questions

- Which reward/recognition strategies have the widest appeal?
- Who is most likely to prefer various reward/recognition approaches?
- Do different strategies vary in appeal based on age group, length of tenure, income, sector, gender, and other individual characteristics?
- Have preferences changed as a result of the pandemic? If so, how?
- How is employee engagement, advocacy, retention, etc. impacted by the efficacy of a company's reward/recognition strategy?
- What are other preferences toward reward and recognition relative to frequency, source, tangible vs. intangible, public vs. private, and other related factors?

- 1500 US-based respondents
  - Employed full-time (35 hours+ per week)
  - 18+ years of age
  - Cannot be self-employed, an independent contractor, or a temporary employee
- Panel supplied sample
- Approximately 15-minute survey

# Sample Characteristics

Industry	Percent
Education	14%
Health and Medicine	12%
IT/Technology	10%
Manufacturing/Industrial	9%
Banking/Financial Services/Insurance	8%
Professional Services	8%
Retail/Wholesale	7%
Hospitality/Travel/Leisure	3%
Automotive	1%
Pharmaceutical	1%
Entertainment/Media	1%
Other	25%

# Sample Characteristics

Generational Group	Percent
Gen Z (18-22)	4%
Millennials (23-39)	30%
Gen X (40-55)	30%
Baby Boomers (56-74)	36%
Silent Generation (75+)	1%

Gender	Percent
Male	51%
Female	49%

# Sample Characteristics

Years in the Workforce Since High School	Percent
Less than one month	1%
More than one month to 6 months	2%
More than 6 months but less than 1 year	2%
1-3 years	6%
More than 3 years but less than 5 years	5%
5-10 years	11%
11-15 years	10%
16-25 years	16%
Over 25 years	47%

# Sample Characteristics

Marital Status	Percent
Married	53%
Single	28%
Living with a partner	8%
Divorced/Separated	9%
Widowed	2%



## Types of Recognition Strategies

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# Types of Recognition Strategies

- Respondents were provided a list of 24 approaches to recognizing employees, which fell into one of four categories:
  - Tangible non-cash gifts that had monetary exchange value
  - Experiential gifts
  - Intangible recognition
  - Developmental opportunities
- Each respondent was asked to choose his/her top three preferences, as well as his/her bottom three preferences.
  - The 'Top Three' were assigned a value of '5'; the bottom three were assigned a value of '1'.
  - The remaining unchosen options were presented, and respondents were asked to identify their next four 'most preferred' recognition preferences (assigned a value of '4') and their next four 'least preferred' recognition preferences (assigned a value of '2').
  - All remaining selected options not listed as a 'top' or 'bottom' preference received a 'neutral' rating of '3'.

# Types of Recognition Strategies

## **Tangible non-cash gifts**

- Gift cards redeemable for food or merchandise
- Food gifts
- Points that can be accumulated or redeemed
- Gifts of appreciation sent to family members
- Company-logoed merchandise

## **Experiential gifts**

- A company paid special event experience (e.g., concert, ballgame)
- A company paid dinner or lunch with family
- Having lunch or dinner with your department
- Going out for an early 'happy hour' after work

## **Developmental Opportunities**

- Getting to work on an interesting new project
- A paid opportunity to attend a conference or seminar
- Having lunch or dinner with your supervisor or company management
- Being given more responsibility at work
- Having the opportunity to mentor other employees

## **Intangible recognition**

- Getting a paid day off
- Flexible scheduling
- Being recognized/thanked by company leadership
- Being recognized/thanked by your direct supervisor
- Freedom from managerial oversight
- Being recognized/thanked by peers
- Being recognized in the corporate newsletter
- Being recognized in a company wide e-mail
- Getting a special parking spot at work
- Receiving a plaque, certificate, or trophy



## Recognition Preferences



- Overall, there are some clear preferences at the macro-level on how employees most prefer to be recognized for outstanding work.
  - Getting a paid day off was a 'top three' choice of nearly half (49%) and a 'top seven' choice of 70%.
    - Only 4% named a paid day off in their 'bottom three' and only 9% named it in their 'bottom seven'.
- Also rated very highly were gifts cards, special experiences like concerts or ballgames paid for by the company, flexible scheduling, and having a lunch or dinner with family/friends paid for by the company.
  - These recognition strategies emerged as easily having the broadest appeal.
- A key finding is that every strategy, even the ones ranked lower overall, appealed to certain people, but not others.
  - Recognition strategists have the opportunity to improve the effectiveness of their programs by identifying individual recognition preferences rather than generalizing to larger employee populations.

# Recognition Preferences

Reward	% Top Three	% Next Four	% Top 7	% Bottom 7	% Next to Bottom	% Bottom Three	% Top 3/Bottom 3 differential	% Top 7/Bottom 7 differential
Getting a paid day off	49%	21%	70%	9%	5%	4%	45%	61%
Getting a gift card for food or merchandise	33%	25%	58%	15%	9%	6%	27%	43%
Having the company pay all expenses to a special event experience	21%	30%	51%	13%	8%	5%	16%	38%
Flexible scheduling	27%	23%	50%	15%	9%	6%	21%	35%
Having lunch or dinner with your family paid for by the company	17%	30%	47%	17%	10%	7%	10%	30%
Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)	11%	27%	38%	26%	14%	12%	-1%	12%
Being recognized or thanked by your company's leadership for outstanding work	15%	15%	30%	19%	13%	6%	9%	11%
Receiving points that can be accumulated or redeemed for a prize of your choice	11%	22%	33%	25%	15%	10%	1%	8%
Having your direct manager recognize and sincerely thank you for your work	12%	16%	28%	21%	14%	7%	5%	7%
Being given freedom from strict managerial oversight on how you do your work	13%	15%	28%	23%	15%	8%	5%	5%
Being provided an opportunity to work on an interesting new project	11%	13%	24%	25%	17%	8%	3%	-1%
Having the opportunity to attend a conference or seminar paid for by your company	9%	17%	26%	27%	17%	10%	-1%	-1%
Being recognized or thanked by your peers for outstanding work	8%	15%	23%	25%	17%	8%	0%	-2%
Having a gift or token of appreciation sent to your spouse or family members	7%	17%	24%	28%	18%	10%	-3%	-4%
Having lunch or dinner with your department	5%	17%	22%	33%	18%	15%	-10%	-11%
Going out for an early 'happy hour' after work	5%	14%	19%	37%	21%	16%	-11%	-18%
Getting recognized in the corporate newsletter or publication	6%	10%	16%	38%	23%	15%	-9%	-22%
Having lunch or dinner with your supervisor or company management	4%	11%	15%	38%	21%	17%	-13%	-23%
Being given more responsibility at work	9%	10%	19%	44%	21%	23%	-14%	-25%
Being given the opportunity to mentor other employees	5%	10%	15%	40%	24%	16%	-11%	-25%
Having an email sent around your company recognizing your achievements	6%	9%	15%	41%	24%	17%	-11%	-26%
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	6%	11%	17%	43%	23%	20%	-14%	-26%
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	5%	12%	17%	43%	20%	23%	-18%	-26%
Getting a certificate, trophy, or plaque	5%	9%	14%	56%	25%	31%	-26%	-42%

BABY BOOMER

GEN X

GEN Y

GEN Z



## Differences in Recognition Preferences Among Generations, Gender, and Sector



# Tangible Non-Cash Gifts

Recognition Strategy	Overall Appeal	Most Preferred by...	Less Preferred by...
Gift cards redeemable for food or merchandise	High	Gen X, Boomers Females Education, Health and Medicine, Manufacturing	Gen Z, Millennials Technology
Food gifts	Moderately High	Baby Boomers Females	Gen Z, Millennials
Points that can be accumulated or redeemed	Moderately High	Females	N/A
Gifts of appreciation sent to family members	Moderate	Manufacturing, Technology, Retail	Professional Services, Hospitality
Company-logoed merchandise	Limited	Gen Z, Millennials Males	Boomers

# Experiential Gifts

Recognition Strategy	Overall Appeal	Most Preferred by...	Less Preferred by....
A company paid special event experience (e.g., concert, ballgame)	High	Gen X, Boomers Hospitality, Manufacturing, Professional Services,	Gen Z Education, Health and Medicine, Technology, Retail
A company paid dinner or lunch with family	High	Boomers, Gen X Females Manufacturing, Education, Health and Medicine, Financial Services	Gen Z, Millennials Technology, Hospitality, Retail, Professional Services
Having lunch or dinner with your department	Moderate	Gen X, Boomers	Gen Z, Millennials
Going out for an early 'happy hour' after work	Moderate	Gen Z, Millennials Males	Gen X, Boomers

# Developmental Opportunities

Recognition Strategy	Overall Appeal	Most Preferred by...	Less Preferred by...
Getting to work on an interesting new project	Moderate	No differences by age, gender or sector	N/A
A paid opportunity to attend a conference or seminar	Moderate	Health and Medicine, Professional Services, Education, Financial Services	Retail, Hospitality
Having lunch or dinner with your supervisor or company management	Limited	Gen Z, Millennials Males Financial Services, Retail, Professional Services	Boomers, Gen X Health and Medicine, Hospitality, and Education
Being given more responsibility at work	Limited	Gen Z, Millennials Males Hospitality, Financial Services, Technology	Boomers, Gen X Health and Medicine, Education
Having the opportunity to mentor other employees	Limited	Gen Z Males	Boomers, Gen

# Intangible Recognition

Recognition Strategy	Overall Appeal	Most Preferred by...	Less Preferred by...
Getting a paid day off	High	Boomers, Gen X Health and Medicine, Retail, Manufacturing	Gen Z, Millennials Technology, Financial Services
Flexible scheduling	High	Millennials, Gen X Females	Gen Z, Boomers
Being recognized/thanked by company leadership	Moderately high	Gen Z, Boomers	Millennials, Gen X
Being recognized/thanked by your direct supervisor	Moderately high	Boomers	Gen Z, Millennials, Gen X
Freedom from managerial oversight	Moderately high	Education, Technology, Retail, Hospitality, Professional Services	Financial Services, Health and Medicine, Manufacturing
Being recognized/thanked by peers	Moderate	Boomers	Millennials, Gen Z
Being recognized in the corporate newsletter	Moderate	Technology, Professional Services	Education, Health and Medicine, Retail, Financial Services
Being recognized in a company wide e-mail	Limited	No differences by age, gender, or sector	N/A
Getting a special parking spot at work	Limited	Gen Z	Boomers
Receiving a plaque, certificate, or trophy	Limited	Gen Z Technology, Retail, Hospitality	Boomers Education, Professional Services, Manufacturing



Reward Preferences



# Reward Preferences

- This section of the study is focused on annual incentive rewards, rather than ongoing recognition strategies referenced in the previous section.
  - These rewards are typically given to Top Performers or those who reached specified goals on an annual basis.
- Respondents were asked to rank ten incentive rewards in terms of preference.

# Reward Preferences

Reward	Average Ranking (1-High/10=Low)	Percent ranking '1-3'	Percent ranking '8-10'
Cash bonus	1.87	88%	2%
An extra paid week of personal time off	3.64	62%	10%
Incentive travel award for yourself and a companion	4.48	38%	11%
A significant merchandise gift	4.90	32%	15%
A large number of points that can be redeemed for a desirable award	5.82	17%	26%
An upgrade in your job title	5.88	23%	31%
A meaningful experience customized to your own preferences	6.08	12%	27%
A promotion involving more responsibility at work	6.64	17%	45%
Company wide recognition as a 'top performer'	7.47	8%	60%
A large trophy or plaque for your wall or office	8.22	4%	73%

# Reward Preferences

Reward	Most Preferred by...	Less Preferred by..
Cash bonus	Boomers, Gen X	Millennials, Gen Z
An extra paid week of personal time off	Boomers Females Hospitality, Health and Medicine, Professional Services, Manufacturing	Gen Z, Millennials, Gen X Technology, Financial Services
Incentive travel award for yourself and a companion	Divorced, Married	Single, Widowed
A significant merchandise gift	Boomers Retail, Manufacturing Married, Divorced, Widowed	Gen Z, Millennials, Gen X Professional Services, Financial Services, Technology, Hospitality Single, Living with a partner
A large number of points that can be redeemed for a desirable award	No differences among individuals based on age, gender, sector, or marital status	N/A
An upgrade in your job title	Gen Z, Millennials Single, Living with a partner	Gen X, Boomers Married, Divorced
A meaningful experience customized to your own preferences	Boomers Females Professional Services, Education, Manufacturing	Gen Z, Millennials, Gen X Technology, Hospitality, Retail

# Reward Preferences (continued)

Reward	Most Preferred by...	Less Preferred by..
A promotion involving more responsibility at work	Millennials, Gen Z Males Technology, Financial Services	Boomers, Gen X Education, Health and Medicine, Hospitality, Retail, Manufacturing Divorced
Company wide recognition as a 'top performer'	Males Technology, Professional Services,	Health and Medicine, Financial Services, Education
A large trophy or plaque for your wall or office	Gen Z Single, Living with a partner	Millennials, Gen X, Boomers Married, Divorced, Widowed



## Changes Since the Pandemic

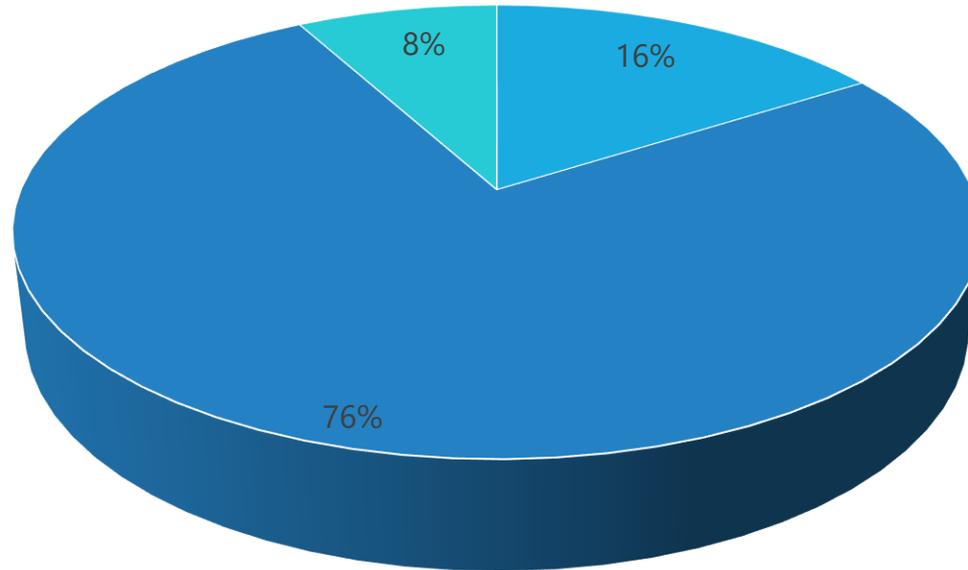


# Changes Since the Pandemic

- Work life has changed significantly since the COVID-19 pandemic, and this has affected reward and recognition preferences among a relatively small percentage of people (16%)
- The findings show that, for these people, tangible gifts have taken on increased importance.
- While many among this segment express less of a desire to travel, the percentages that are interested in travel has risen among some others, indicating the incentive travel industry has not taken much a hit relative to interest when the percentages are netted out.
- There is more of an interest in driving trips and incentive experiences involving fewer people.

# Only 16% Say Their Preferences Have Changed Since the Pandemic

**Question:** Since the pandemic began, have your preferences on how you prefer to be recognized and rewarded changed?



■ Yes ■ No ■ Unsure ■

# Changes Since the Pandemic

- The data show only slight shifts in preferences toward incentive travel.
  - While some indicated less of a preference toward incentive travel experiences, there were others who showed more interest in incentive travel.
    - When subtracting those who had less interest from those with more interest in incentive travel experiences, there was only a net difference of less than one percent who were less interested in travel experiences involving flights, and a gain of 2-3 percentage points among people who preferred travel experiences where you can either drive or avoid large crowds of people.
    - The conclusion is that, overall, there has not been a significant decline relative to the overall appeal of incentive travel, although there have been a slight shifts among individuals relative to the design of incentive travel experiences.

# Changes Since the Pandemic (continued)

- Overall, about one-in-ten showed a greater preference for cash bonuses. Primary reasons who included...
  - Many have taken pay cuts/have fewer hours and need extra money to make up the difference
  - Overall household income has been cut
  - Working more hours at home and feel they should be compensated for it.
  - Less interest in any type of travel award
  - Cannot make the same income due to travel restrictions
  - Desire to pay down debts due to uncertainty
  - Essential workers who risk their health feel they should be paid more
  - Groceries and household expenses have increased
  - Want to help their families with additional income
- Interestingly, 84% of those more interested in cash bonuses either feel 'very' or 'somewhat' secure in their jobs. Therefore feelings of job insecurity is not driving the greater desire for cash.

# Changes Since the Pandemic (continued)

- About one-in-ten have a greater preference for flexible hours. Primary reasons include...
  - Wanting to spend more time with family
  - Working remotely has led to a loss of boundaries with people emailing from work at all hours.
  - Changes in routine have led to needs for greater flexibility
  - Desire to avoid travel
- The following table shows the net percentages who increased/decreased interest in certain reward types.
  - The percentages in parentheses show the percentage of the total population that have shifted.

# Changes Since the Pandemic

Incentive	% Interest Increased	% Interest Decreased	Net
An incentive travel experience involving a flight	38% (6%)	41% (6%)	-3% (-.6%)
An incentive travel experience to which you can drive	42% (7%)	31% (5%)	+11% (+2%)
An incentive travel experience without the requirement to mingle with large groups of people	44% (7%)	29% (4%)	+15% (+3%)
A cash bonus	73% (11%)	12% (2%)	+61% (+9%)
Gift cards that can be redeemed for what you want or need	67% (10%)	12% (2%)	+55% (+8%)
Merchandise you want or need	59% (9%)	18% (3%)	+41% (+6%)
Flexible scheduling	70% (11%)	10% (2%)	+60 (+9%)



**Recognition/Reward Received**



# Recognition Received

- This section of the study examines the recognition and rewards people reported receiving in the past 12 months with a comparison to how they wanted to be recognized and rewarded.
- The results show that in many cases, highly valued recognition approaches such as granting flexible scheduling and providing paid days off are among the most frequently granted reward types. However, there are at least four highly valued recognition approaches that are severely underutilized.
  - Having the company pay all expenses to a special event experience
  - Having lunch or dinner with your family paid for by the company
  - Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)
  - Receiving points that can be accumulated or redeemed for a prize of your choice
- The following tables show the percentage who ranked a particular recognition approach within their Top 7 preferences, accompanied by the percentage that received the recognition type.
  - Mid-point percentages were calculated for both preference and recognition received and denoted with an (H), if it was at or above the median, and an (L) if it fell below the median, showing the discrepancies between preferences vs. the recognition types people received at work.

# Recognition Received

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent who reported receiving the recognition type within the past 12 months
Flexible scheduling	50% (H)	25% (H)
Getting a paid day off	70% (H)	21% (H)
Having your direct manager recognize and sincerely thank you for your work	28% (L)	20% (H)
Being recognized or thanked by your peers for outstanding work	23% (L)	18% (H)
Being given freedom from strict managerial oversight on how you do your work	28% (L)	17% (H)
Being given more responsibility at work	19% (L)	17% (H)
Being provided an opportunity to work on an interesting new project	24% (L)	16% (H)
Getting a gift card for food or merchandise	58% (H)	15% (H)
Being recognized or thanked by your company's leadership for outstanding work	30% (H)	15% (H)
Having lunch or dinner with your department	22% (L)	9% (L)
Getting a certificate, trophy, or plaque	14% (L)	9% (L)

# Recognition Received (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent who reported receiving the recognition type within the past 12 months
Having lunch or dinner with your supervisor or company management	15% (L)	8% (L)
Being given the opportunity to mentor other employees	15% (L)	8% (L)
<b>Receiving points that can be accumulated or redeemed for a prize of your choice</b>	<b>33% (H)</b>	<b>7% (L)</b>
Having the opportunity to attend a conference or seminar paid for by your company	26% (L)	6% (L)
<b>Having lunch or dinner with your family paid for by the company</b>	<b>47% (H)</b>	<b>6% (L)</b>
<b>Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)</b>	<b>38% (H)</b>	<b>6% (L)</b>
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	17% (L)	6% (L)
Having an email sent around your company recognizing your achievements	15% (L)	5% (L)
Going out for an early 'happy hour' after work	19% (L)	4% (L)
Getting recognized in the corporate newsletter or publication	16% (L)	4% (L)
<b>Having the company pay all expenses to a special event experience</b>	<b>51% (H)</b>	<b>3% (L)</b>

# Recognition Received (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent who reported receiving the recognition type within the past 12 months
Having a gift or token of appreciation sent to your spouse or family members	24% (L)	3% (L)
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	17% (L)	3% (L)

# Percentage Who Received Desirable Recognition

- The following tables show the percentage who received the type of recognition they desired among their Top 7 preferences.
- The data show the rate to which people get their desired rewards is comparable to the percentage in which people receive rewards in general.
- The data confirm that very few people who want things like special experiences, food gifts, dinner with friends and family, or points receive these things.
  - In each case, fewer than 10% who want these types of recognition receive them.
  - The largest gap between wanting and receiving is getting the company to pay expenses to a special experience.
    - While 51% listed this a top preferred award, only 2% received these experiences.



# Percent that Received Their Desired Recognition

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent that Received Desired Recognition
Getting a paid day off	70%	20% (H)
Getting a gift card for food or merchandise	58%	16% (H)
<b>Having the company pay all expenses to a special event experience</b>	<b>51%</b>	<b>2% (L)</b>
Flexible scheduling	50%	32% (H)
<b>Having lunch or dinner with your family paid for by the company</b>	<b>47%</b>	<b>4% (L)</b>
<b>Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)</b>	<b>38%</b>	<b>9% (L)</b>
Being recognized or thanked by your company's leadership for outstanding work	30%	18% (H)
<b>Receiving points that can be accumulated or redeemed for a prize of your choice</b>	<b>33%</b>	<b>9% (L)</b>
Having your direct manager recognize and sincerely thank you for your work	28%	29% (H)
Being given freedom from strict managerial oversight on how you do your work	28%	25% (H)
Being provided an opportunity to work on an interesting new project	24%	25% (H)



# Percent that Received Their Desired Recognition (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent that Received Desired Recognition
Having the opportunity to attend a conference or seminar paid for by your company	26%	8% (L)
Being recognized or thanked by your peers for outstanding work	23%	23% (H)
Having a gift or token of appreciation sent to your spouse or family members	24%	2% (L)
Having lunch or dinner with your department	22%	12% (L)
Going out for an early 'happy hour' after work	19%	6% (L)
Getting recognized in the corporate newsletter or publication	16%	7% (L)
Having lunch or dinner with your supervisor or company management	15%	10% (L)
Being given more responsibility at work	19%	26% (H)
Being given the opportunity to mentor other employees	15%	15% (H)
Having an email sent around your company recognizing your achievements	15%	7% (L)
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	17%	5% (L)



# Percent that Received Their Desired Recognition (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent that Received Desired Recognition
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	17%	11% (L)
Getting a certificate, trophy, or plaque	14%	15% (H)

# Percentage Who Received Undesirable Recognition

- The following tables show the percentage who received the type of recognition they listed among their Bottom 7 preferences.
- The results show that, in most cases, people are not being recognized in high percentages in ways that are de-motivating to them.
  - In some cases, the incidence of particular recognition strategies are consistent and are given to employees proportionately within companies, whether they desire the award or not.



# Percent that Received Undesirable Recognition

Recognition Type	Percent who listed recognition type within their Bottom 7 least preferred	Percent that Received Undesired Recognition
Getting a paid day off	9%	24%
Flexible scheduling	15%	18%
Having your direct manager recognize and sincerely thank you for your work	21%	15%
Being recognized or thanked by your company's leadership for outstanding work	19%	13%
Being recognized or thanked by your peers for outstanding work	25%	13%
Being given more responsibility at work	44%	13%
Getting a gift card for food or merchandise	15%	12%
Being given freedom from strict managerial oversight on how you do your work	23%	12%
Being provided an opportunity to work on an interesting new project	25%	10%
Having lunch or dinner with your family paid for by the company	17%	9%
Having lunch or dinner with your department	33%	8%
Having lunch or dinner with your supervisor or company management	38%	7%



# Percent that Received Undesirable Recognition (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent that Received Undesired Recognition
Getting a certificate, trophy, or plaque	56%	7%
Receiving points that can be accumulated or redeemed for a prize of your choice	25%	6%
Having the opportunity to attend a conference or seminar paid for by your company	27%	6%
Being given the opportunity to mentor other employees	40%	6%
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	43%	5%
Getting recognized in the corporate newsletter or publication	38%	4%
Having the company pay all expenses to a special event experience	13%	4%
Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)	26%	4%
Having an email sent around your company recognizing your achievements	41%	4%
Going out for an early 'happy hour' after work	37%	3%



# Percent that Received Undesirable Recognition (continued)

Recognition Type	Percent who listed recognition type within their 'Top 7' preferred	Percent that Received Undesired Recognition
Having a gift or token of appreciation sent to your spouse or family members	28%	3%
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	43%	2%

# Rewards Received

- This section examines annual rewards/awards typically given to Top Performers or those that have hit specified goals on an annual basis.
- The data show that, other than cash bonuses, all other types of annual rewards are given very sparingly, with only 3%-6% saying they received any of the other alternatives.
- **Twenty-seven percent (27%) reported they have not received any type of recognition or reward for their work within the past 12 months.**

# Rewards Received

Reward	Average Ranking (1-High/10=Low)	Percent receiving the award
Cash bonus	1.87	22%
An extra paid week of personal time off	3.64	4%
Incentive travel award for yourself and a companion	4.48	3%
A significant merchandise gift	4.90	3%
A large number of points that can be redeemed for a desirable award	5.82	3%
An upgrade in your job title	5.88	6%
A meaningful experience customized to your own preferences	6.08	1%
A promotion involving more responsibility at work	6.64	4%
Company wide recognition as a 'top performer'	7.47	3%
A large trophy or plaque for your wall or office	8.22	3%



## The Impact of Recognition on Employee Engagement



# The Impact of Recognition on Employee Engagement

- Meaningful recognition has been consistently shown to be one of the key drivers of employee engagement. This section examines:
  - The overall impact of successful recognition programs on engagement and other related outcomes.
  - The recognition and reward strategies most associated with high levels of engagement.
  - The differential impact of 'meaningful' engagement.
- The survey asked a number of 'engagement' items, each serving as a proxy to predict various downstream outcomes.
  - ✓ I am completely satisfied with my job. (overall engagement, job satisfaction)
  - ✓ I look forward to coming to work every day. (absenteeism, sick days taken, retention, motivation)
  - ✓ I would be very happy to spend the remainder of my career with my present company. (retention)
  - ✓ I would absolutely recommend my employer to friends and family as a place to work. (employer advocacy)
  - ✓ I would confidently recommend my company's products and services to friends and family. (belief in products and services, advocacy)
  - ✓ If I was able to do so, I'd invest my own money in my company. (profitability)
  - ✓ I feel motivated every day to give my best possible effort. (productivity)
  - ✓ I am completely satisfied with my company's reward and recognition efforts (satisfaction with recognition)

# Overall Engagement Scores

- Here are the overall engagement scores for the items asked in the survey regardless of the type of recognition/rewards individuals received, as well as the impact of recognition/rewards over the past 12 months.. Average scores (1=Low/5=High) and the percentage of those 'strongly agreeing' is presented in parentheses.

Item	Overall	Received some type of recognition/reward``	Received no recognition/reward
I am completely satisfied with my job.	3.68 (26%)	3.84` (30%)	3.24 (17%)
I look forward to coming to work every day.	3.65 (24%)	3.79 (27%)	3.28 (16%)
I would be very happy to spend the remainder of my career with my present company.	3.82 (36%)	3.98 (41%)	3.41 (25%)
I would absolutely recommend my employer to friends and family as a place to work.	3.69 (30%)	3.86 (34%)	3.21 (19%)
I would confidently recommend my company's products and services to friends and family.	3.84 (33%)	4.00 (38%)	3.40 (21%)
If I was able to do so, I'd invest my own money in my company.	3.31 (21%)	3.51 (25%)	2.79 (11%)
.I feel motivated every day to give my best possible effort.	3.89 (33%)	4.04 (37%)	3.48 (22%)

# Satisfaction with Recognition

- Approximately, one-in-five (21%) indicated they are 'completely satisfied' with their company's reward and recognition efforts, while 23% expressed dissatisfaction with reward and recognition efforts.
  - The remaining 56% were either 'somewhat satisfied' or neutral.
- The relationship between satisfaction with recognition and the various engagement outcomes are presented in the table on the next page.
- The data showed the extremely strong relationship between the quality of a company's recognition program and key engagement outcomes.
- Of most interest is how employees responded to the item, 'If I could, I would invest my own money in my company.'
  - While the sample methodology does not provide an opportunity to know the profitability/success of each respondent's employer, employees usually have a good idea of how their companies perform financially.
  - Employee responses on the 'willingness to invest' item provide an indication of a company's success.
  - Employees who are completely satisfied with recognition efforts are 12X more willing to invest their own money compared to those dissatisfied with recognition efforts (58% to 5%).

# The Relationship Between Satisfaction and Engagement Outcomes

## Average Item Rating (1=Low to 5=High)/Percent 'Strongly Agreeing'

Engagement Item	Dissatisfied with Recognition	Neutral or Somewhat Satisfied	Extremely Satisfied with Recognition
I am completely satisfied with my job.	2.66 (5%)	3.74 (18%)	4.66 (71%)
I look forward to coming to work every day.	2.72 (6%)	3.70 (17%)	4.53 (64%)
I would be very happy to spend the remainder of my career with my present company.	2.89 (11%)	3.88 (31%)	4.71 (79%)
I would absolutely recommend my employer to friends and family as a place to work.	2.59 (5%)	3.78 (23%)	4.67 (77%)
I would confidently recommend my company's products and services to friends and family.	3.03 (12%)	3.89 (27%)	4.62 (74%)
If I was able to do so, I'd invest my own money in my company.	2.29 (5%)	3.37 (14%)	4.29 (58%)
I feel motivated every day to give my best possible effort.	3.12 (14%)	3.91 (25%)	4.69 (76%)

# Recognition Strategies Associated with Engagement Levels

- Given the strong consistent impact recognition has on various engagement outcomes, the following tables display engagement scores for individuals receiving each of the following types of recognition/rewards.
- The numbers in the columns display the average rating on the item with '1' being low and '5' being high.
  - In parentheses is the percentage that 'strongly agree' with each statement.
  - Highest engagement scores are highlighted in green; the lowest engagement scores are highlighted in yellow.

# Recognition Strategies Associated with Engagement Items

Recognition Type Received	I am completely satisfied with my job..	I would be very happy to spend the remainder of my career with my present company.	If I was able to do so, I'd invest my own money in my company.
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	4.38 (49%)	4.16 (46%)	4.08 (46%)
Having the company pay all expenses to a special event experience	4.36 (52%)	4.40 (52%)	3.93 (36%)
Having a gift or token of appreciation sent to your spouse or family members	4.28 (56%)	4.37 (51%)	4.00 (40%)
Getting recognized in the corporate newsletter or publication	4.15 (48%)	4.20 (48%)	3.62 (30%)
Having lunch or dinner with your family paid for by the company	4.15 (45%)	4.28 (51%)	4.02 (33%)
Having an email sent around your company recognizing your achievements	4.11 (47%)	4.18 (47%)	3.74 (36%)
Having the opportunity to attend a conference or seminar paid for by your company	4.10 (40%)	4.19 (47%)	3.73 (37%)
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	4.10 (39%)	4.20 (53%)	3.62 (35%)
Being given the opportunity to mentor other employees	4.09 (38%)	4.27 (53%)	3.75 (35%)

# Recognition Strategies Associated with Engagement Items

Recognition Type Received	I am completely satisfied with my job..	I would be very happy to spend the remainder of my career with my present company.	If I was able to do so, I'd invest my own money in my company.
Having lunch or dinner with your department	4.04 (36%)	4.24 (50%)	3.75 (33%)
Going out for an early 'happy hour' after work	4.02 (33%)	4.21 (47%)	3.93 (35%)
Being provided an opportunity to work on an interesting new project	4.00 (37%)	4.12 (48%)	3.83 (34%)
Getting a paid day off	4.00 (34%)	4.10 (45%)	3.68 (30%)
Flexible scheduling	3.99 (37%)	4.08 (45%)	3.72 (32%)
Being recognized or thanked by your company's leadership for outstanding work	3.97 (37%)	4.12 (47%)	3.57 (27%)
Being recognized or thanked by your peers for outstanding work	3.95 (35%)	4.13 (52%)	3.54 (28%)
Having lunch or dinner with your supervisor or company management	3.95 (35%)	4.13 (43%)	3.70 (25%)
Being given freedom from strict managerial oversight on how you do your work	3.95 (35%)	4.11 (50%)	3.58 (29%)

# Recognition Strategies Associated with Engagement Items

Recognition Type Received	I am completely satisfied with my job..	I would be very happy to spend the remainder of my career with my present company.	If I was able to do so, I'd invest my own money in my company.
Having your direct manager recognize and sincerely thank you for your work	3.93 (32%)	4.12 (46%)	3.52 (23%)
Being given more responsibility at work	3.93 (35%)	4.10 (50%)	3.71 (34%)
Getting a trophy, certificate, or plaque	3.92 (34%)	3.98 (41%)	3.60 (29%)
Getting a gift card for food or merchandise	3.90 (34%)	4.10 (48%)	3.60 (30%)
Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)	3.88 (27%)	4.05 (41%)	3.54 (25%)
Receiving points that can be accumulated or redeemed for a prize of your choice	3.85 (33%)	3.98 (42%)	3.87 (38%)

# Key Findings

- While it is important to exercise caution in implying cause-effect relationships, the data point out some interesting things.
  - Even though some types of recognition are preferred much more than others, granting these preferences is often not sufficient for driving high job satisfaction and engagement.
  - Even though some preferences might be ranked lower in importance, things like giving an 'employee of the month' parking spot, can be considered 'latent' satisfiers.
    - 'Latent' satisfiers are things people say are not important but are very nice to receive.
  - It is also interesting to see which recognition practices are associated with the highest ratings among those indicating a strong willingness to invest in their companies.
    - The 'willingness to invest' item is a proxy for company profitability, so there are some important implications we can take from the data.
      - Profitable companies support a culture that support the family and experiences surrounding the family.
      - Successful companies engage in recognition practices that are relatively uncommon such as picking up the tab for special experiences and sending tokens of appreciation to employee family members.

# Impact of Recognition Strategies on Motivation

Recognition Type Received	Overall Rating on 'I feel motivated every day to give my best possible effort'	Overall Rating on 'I look forward to coming to work every day'
Having the company pay all expenses to a special event experience	4.43 (55%)	4.31 (55%)
Having a gift or token of appreciation sent to your spouse or family members	4.37 (54%)	4.05 (44%)
Receiving company logoed merchandise (e.g., shirts, handbags, coffee cups, etc.)	4.34 (49%)	3.92 (33%)
Having an email sent around your company recognizing your achievements	4.33 (50%)	3.97 (40%)
Getting a special parking spot at work (e.g., 'Reserved for employee of the month')	4.32 (57%)	3.86 (35%)
Being given the opportunity to mentor other employees	4.32 (52%)	4.05 (35%)
Having lunch or dinner with your department	4.30 (50%)	4.03 (34%)
Being recognized or thanked by your peers for outstanding work	4.29 (48%)	3.97 (36%)
Being given more responsibility at work	4.27 (51%)	3.97 (35%)

# Impact of Recognition Strategies on Motivation

Recognition Type Received	Overall Rating on 'I feel motivated every day to give my best possible effort'	Overall Rating on 'I look forward to coming to work every day'
Getting recognized in the corporate newsletter or publication	4.25 (48%)	4.08 (38%)
Being recognized or thanked by your company's leadership for outstanding work	4.22 (47%)	3.93 (34%)
Having your direct manager recognize and sincerely thank you for your work	4.21 (46%)	3.85 (29%)
Being provided an opportunity to work on an interesting new projects	4.21 (45%)	4.03 (40%)
Going out for an early 'happy hour' after work	4.16 (40%)	4.03 (33%)
Getting a paid day off	4.14 (41%)	3.91 (32%)
Being given freedom from strict managerial oversight on how you do your work	4.12 (42%)	3.87 (33%)
Flexible scheduling	4.12 (41%)	3.92 (33%)
Getting a gift card for food or merchandise	4.10 (41%)	3.89 (33%)
Having the opportunity to attend a conference or seminar paid for by your company	4.10 (38%)	4.00 (31%)

# Impact of Recognition Strategies on Motivation

Recognition Type Received	Overall Rating on 'I feel motivated every day to give my best possible effort'	Overall Rating on 'I look forward to coming to work every day'
Getting a certificate, trophy, or plaque	4.09 (38%)	3.93 (33%)
Having lunch or dinner with your family paid for by the company	4.09 (36%)	4.12 (35%)
Having lunch or dinner with your supervisor or company management	4.08 (39%)	3.93 (39%)
Receiving a food gift (e.g., chocolates, steaks, cheese, fruit baskets)	4.08 (38%)	3.82 (30%)
Receiving points that can be accumulated or redeemed for a prize of your choice	3.98 (37%)	3.78 (27%)

# The Impact of Rewards on Engagement

- The following table shows the impact of various rewards on engagement outcomes.
  - Cash bonuses were, by far, the annual reward that people wanted—and received—most often.
    - There were no instances where people received cash bonuses without receiving other types of recognition, making it difficult to isolate the unique impact of cash bonuses on engagement outcomes.
    - The table compares other types of annual awards to show the relative association of each to employee engagement and motivation.
    - Although sample sizes were often small in some cases, other rewards tended to be associated with higher job satisfaction, greater intention to recommend the company as a prospective employers, greater interest in remaining with the company long term, stronger willingness to invest, and higher likelihood of daily motivation.
      - Paid days off, incentive trips, award points, and merchandise were all associated with high engagement outcomes more so than cash bonuses.

# The Impact of Rewards on Engagement

Condition	Job satisfaction	Happy to stay entire career	Willingness to invest	Willingness to recommend as employer	Motivated to do best work
Baseline (everyone)	3.68 (26%)	3.82 (36%)	3.31 (21%)	3.69 (30%)	3.89 (33%)
An extra paid week of time off	4.31 (48%)	4.10 (38%)	3.75 (36%)	4.21 (43%)	4.30 (46%)
Incentive trip for yourself and a companion	4.29 (50%)	4.24 (47%)	4.03 (42%)	4.13 (40%)	4.29 (45%)
A large number of award points	4.26 (41%)	4.23 (51%)	4.03 (39%)	4.15 (41%)	4.15 (46%)
A significant merchandise gift	4.22 (41%)	4.24 (39%)	3.76 (31%)	4.16 (43%)	4.29 (49%)
A promotion with more responsibility	4.09 (39%)	4.08 (45%)	3.78 (36%)	3.94 (38%)	4.38 (52%)
Received a cash bonus	4.08 (39%)	4.19 (48%)	3.62 (26%)	4.06 (41%)	4.20 (45%)
An upgrade in job title	4.01 (40%)	3.85 (35%)	3.79 (35%)	4.04 (38%)	4.18 (45%)
A trophy or plaque for your wall	4.00 (38%)	4.05 (38%)	3.60 (35%)	3.93 (38%)	4.05 (45%)
A meaningful experience*	3.93 (40%)	3.80 (20%)	3.33 (33%)	3.40 (20%)	4.13 (47%)
Company wide recognition as a Top Performer	3.89 (41%)	3.97 (43%)	3.65 (30%)	3.78 (32%)	4.24 (49%)

\*Extremely small sample size



Other Related Topics



# Key Findings

- Despite the pandemic, job security is anything but guaranteed. Despite this, nearly eight out of ten (78%) indicated they are feeling either 'very secure' or 'somewhat secure' about their current employment situation.
  - Only 8% indicated they felt either 'somewhat' or 'very' insecure about their jobs, with the rest uncertain.
  - While 24% of the 'secure' employees reported they had not received any type of recognition within the past 12 months, the percentage was nearly double (42%) among those feeling job uncertainty.
- Half of those that receive points as awards tend to find a middle ground between redeeming them quickly and saving up for a long time.
  - Fifty-percent (50%) indicate they accumulate their points for a while, but then redeem them for something of 'moderate' value.
    - The remainder are pretty evenly split between redeeming points quickly for something of smaller value (26%) or saving them for a long time to obtain a high value item (21%).
    - Three percent (3%) of those that get points awards tend to forget about them and not redeem them.

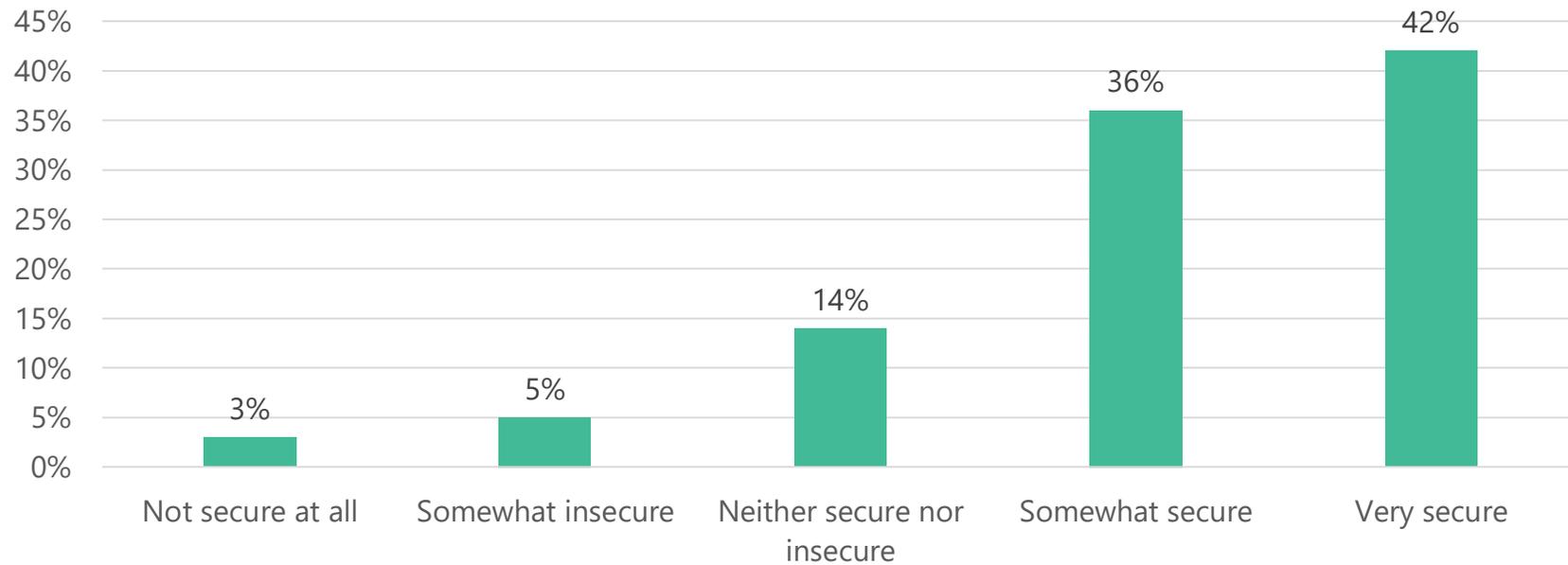
# Key Findings

- Over half (53%) expressed a clear preference for tangible rewards over intangible rewards.
  - While 39% share an equal preference for tangible and intangible rewards, only a small minority (9%) showed a preference for intangible rewards.
- Employees are evenly divided as to whether they'd like the source of their recognition to primarily come from senior leadership (39%) or their direct supervisor (39%).
  - A much smaller percentage preferred their primary source of recognition come from their peers.
- People prefer private recognition over public recognition by a two-to-one margin (44% to 23%), although one-third (32%) have an equal preference for both public and private recognition.
- The data show that, for the most part, if you prefer to be recognized privately, you are most likely to avoid the glare of public recognition.
  - Only 16% of those that want to be recognized privately, received public recognition.
  - However, if you prefer public recognition, you are equally likely to be recognized both publicly and privately.

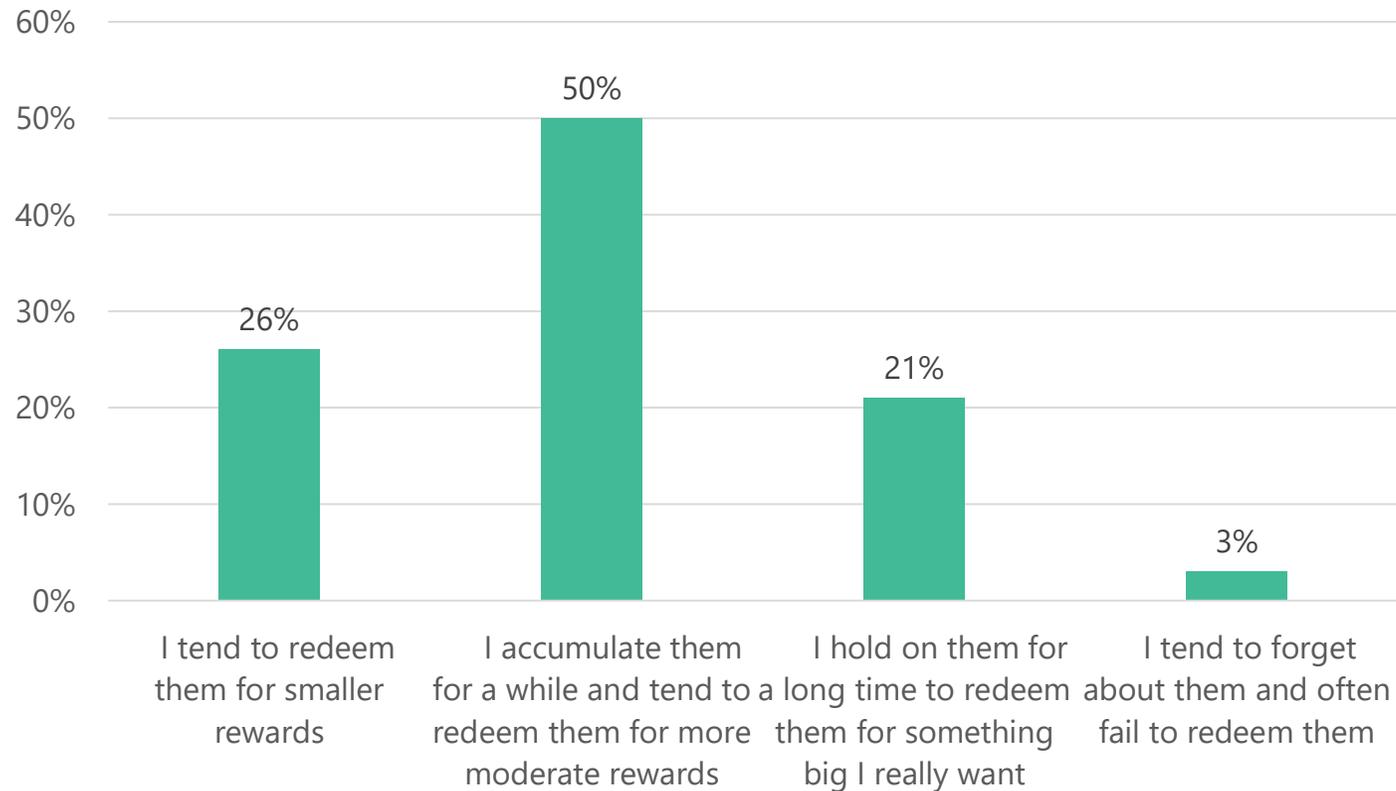
# Key Findings

- Having a choice of rewards rather than a fixed reward, was 'very' or 'somewhat' important to nearly two-thirds (62%).
  - Only 11% indicated that having a choice was unimportant.
- There was quite a split on how often people want to be recognized.
  - While the largest percentage indicated they wanted to be recognized 'frequently' (33%), there was no consensus on the optimal timing of awards.
- Nearly half (46%) indicated they recently transitioned from working in an office to working at home remotely.
  - The transition to working at home was seen as overwhelmingly positive, with only 8% describing the transition to working at home in negative terms.
  - Nearly two-thirds (64%) are either certain or unsure if the transition will be permanent.
  - Interestingly, those who transitioned to working at home had a higher percentage of receiving at least some kind of recognition in the past 12 months (79%) compared to those remaining in an office (68%).

*How secure do you feel about your present employment situation?*



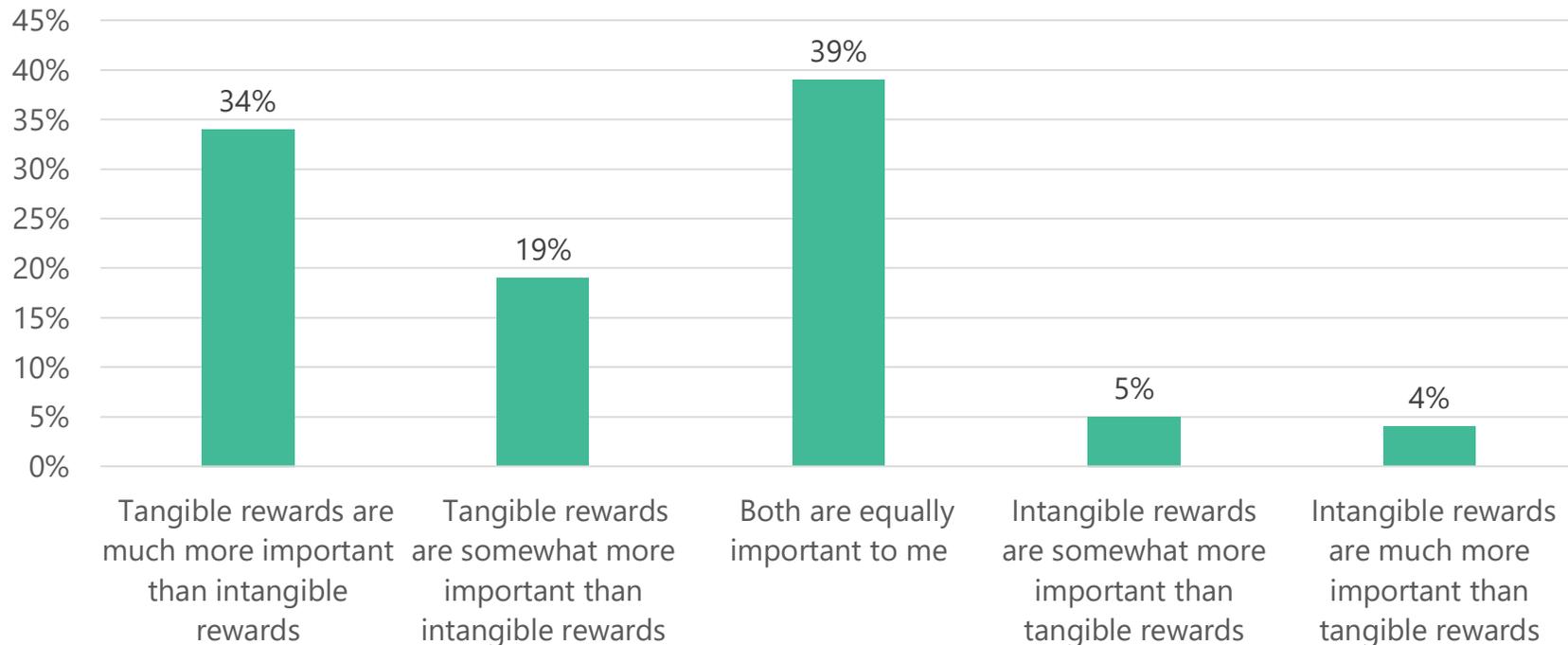
***When you received points, did you cash them in right away or accumulate them for a bigger purchase later? \****



\* Asked only of those that received points as a form of recognition and reward (9%)

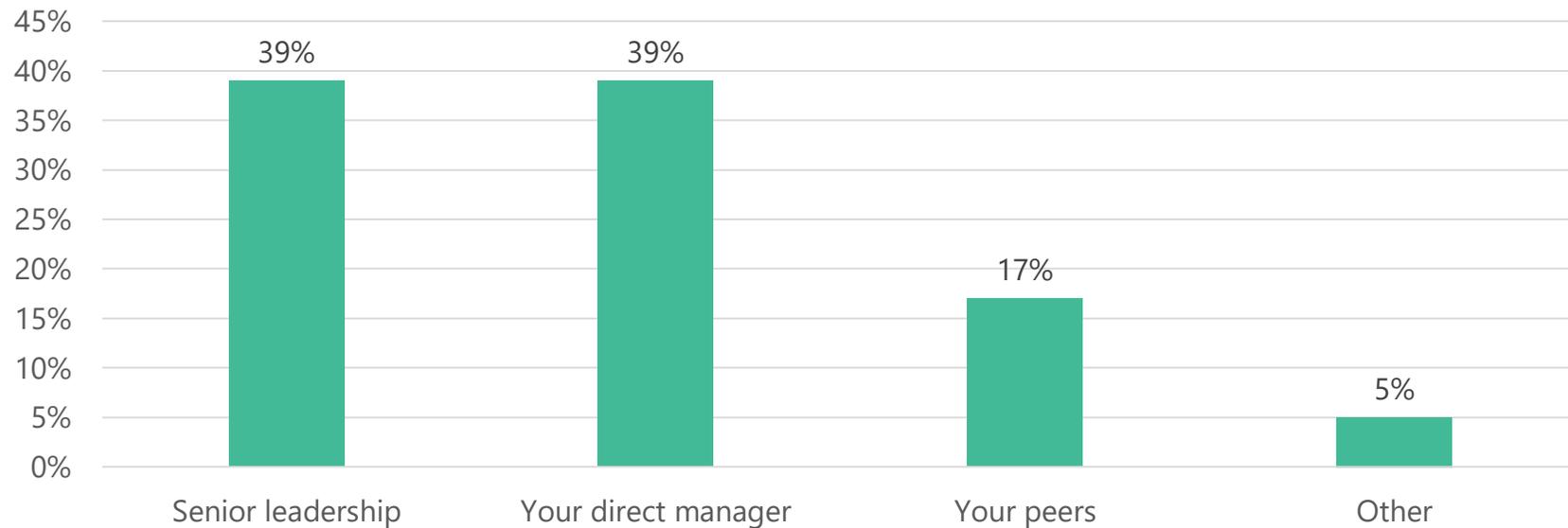
# Preference for Tangible/Intangible Rewards

***Which are more important to you? Tangible rewards such as cash, gift cards and merchandise, or intangible rewards such as developmental opportunities, flexible scheduling, and freedom?***



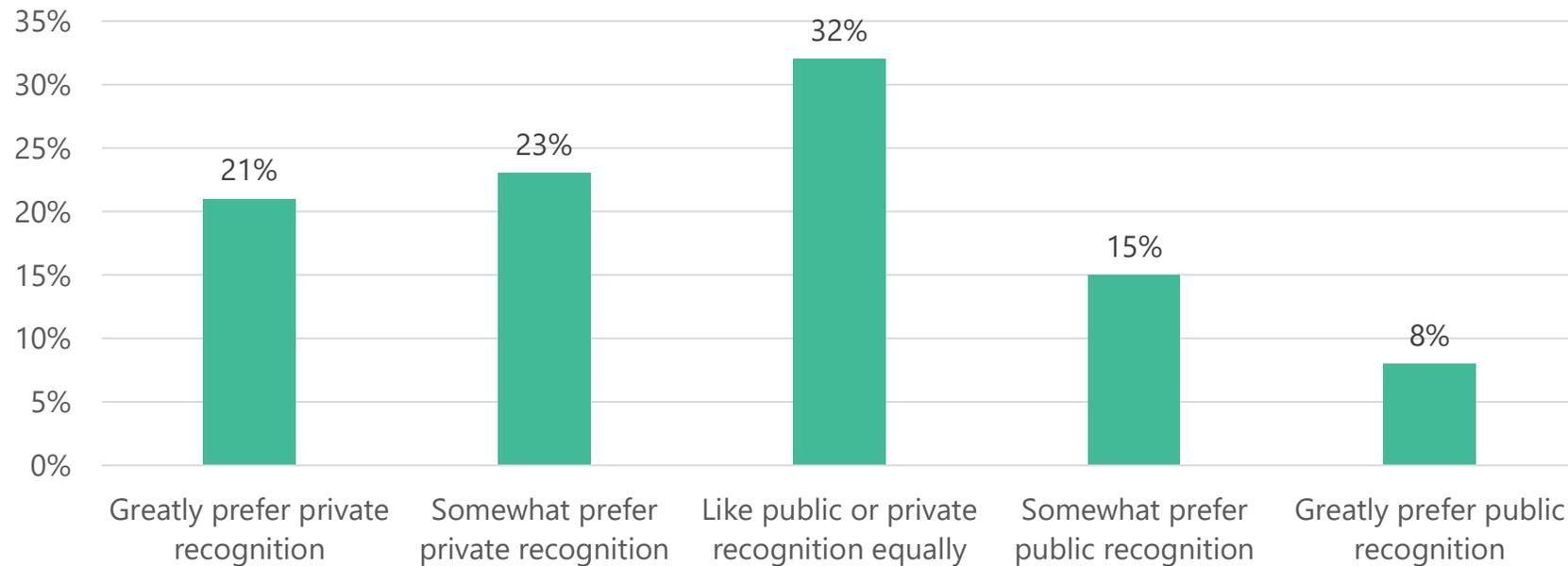
# Preferred Source for Recognition

*From whom do you most like to be recognized? (Choose one)*



# Preference for Public vs. Private Recognition

*When you are recognized, do you prefer to be recognized publicly or privately?*



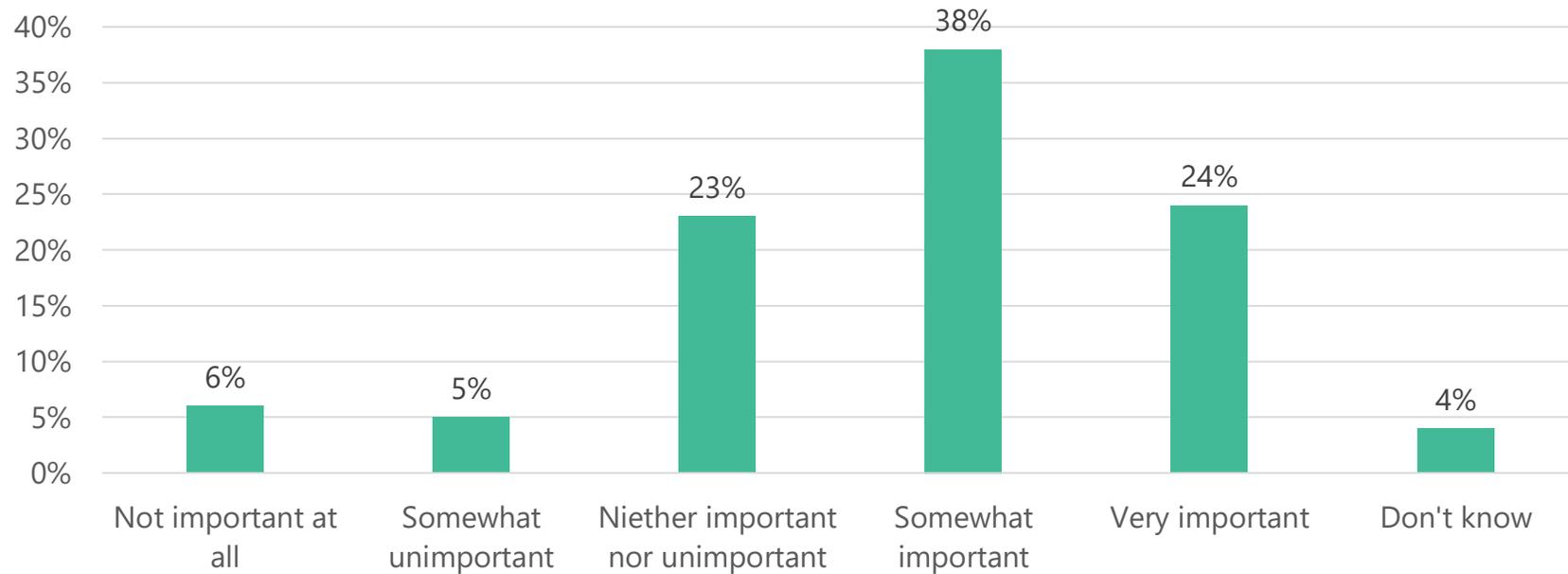
# Public/Private Recognition Received

*Which of the following have you received in the past 12 months?*

Type of recognition received	Overall	% of Those that preferred private recognition	% of those that prefer public and private recognition equally	% of those that prefer public recognition
Public	27%	16%	30%	44%
Private	47%	49%	45%	43%
Electronic	24%	19%	24%	33%
Handwritten	15%	15%	15%	15%

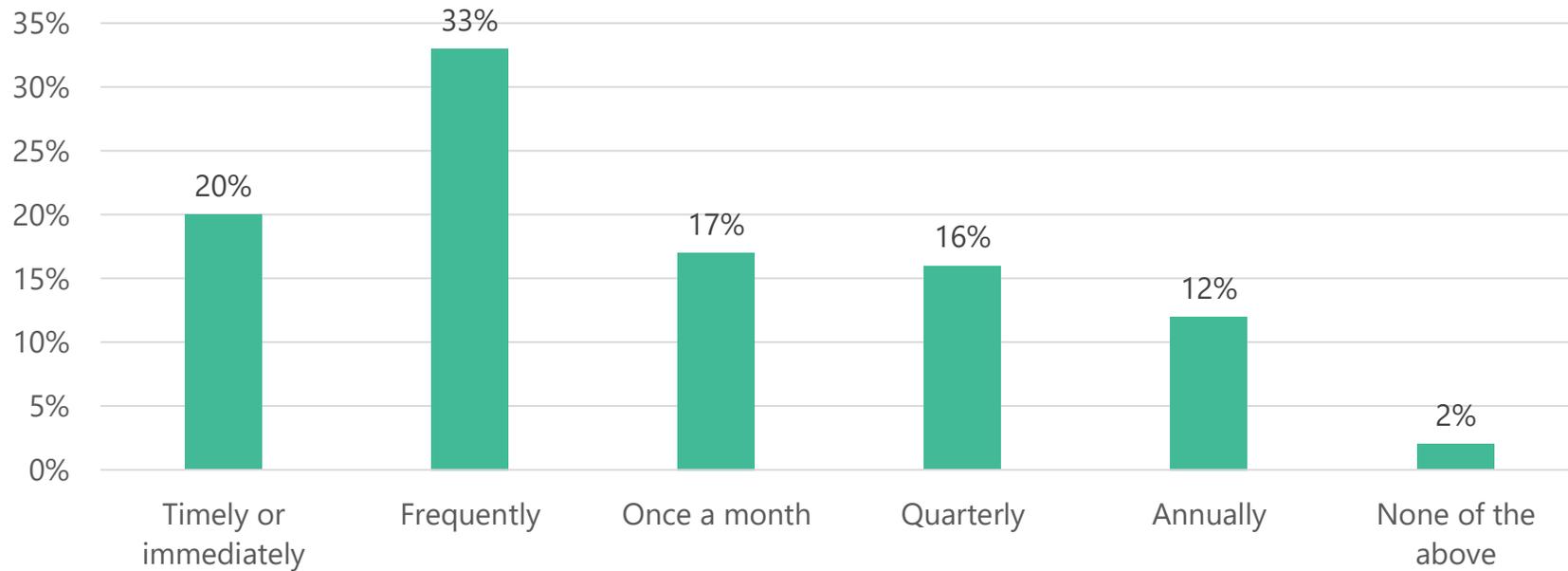
# Importance of Choice

***How important to you is the opportunity to choose among a variety of awards options, as compared to one pre-determined award?***



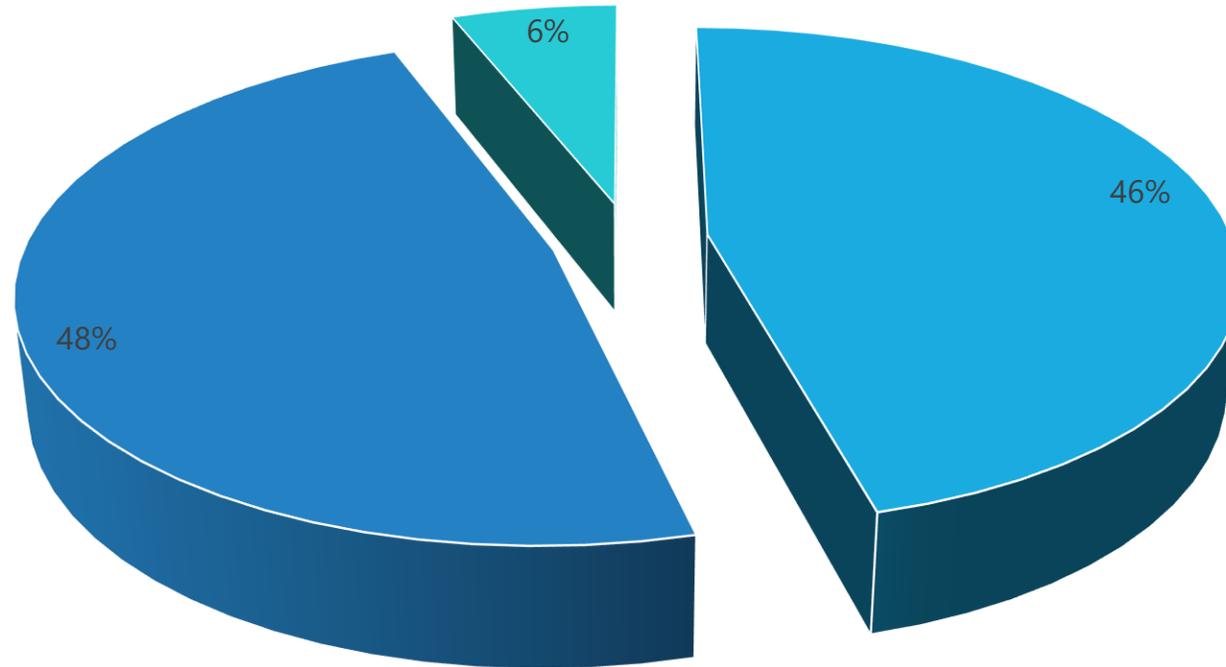
# Preferred Frequency of Recognition

*How often do you like to be recognized when you do outstanding work?*



# Transition to Remote Work

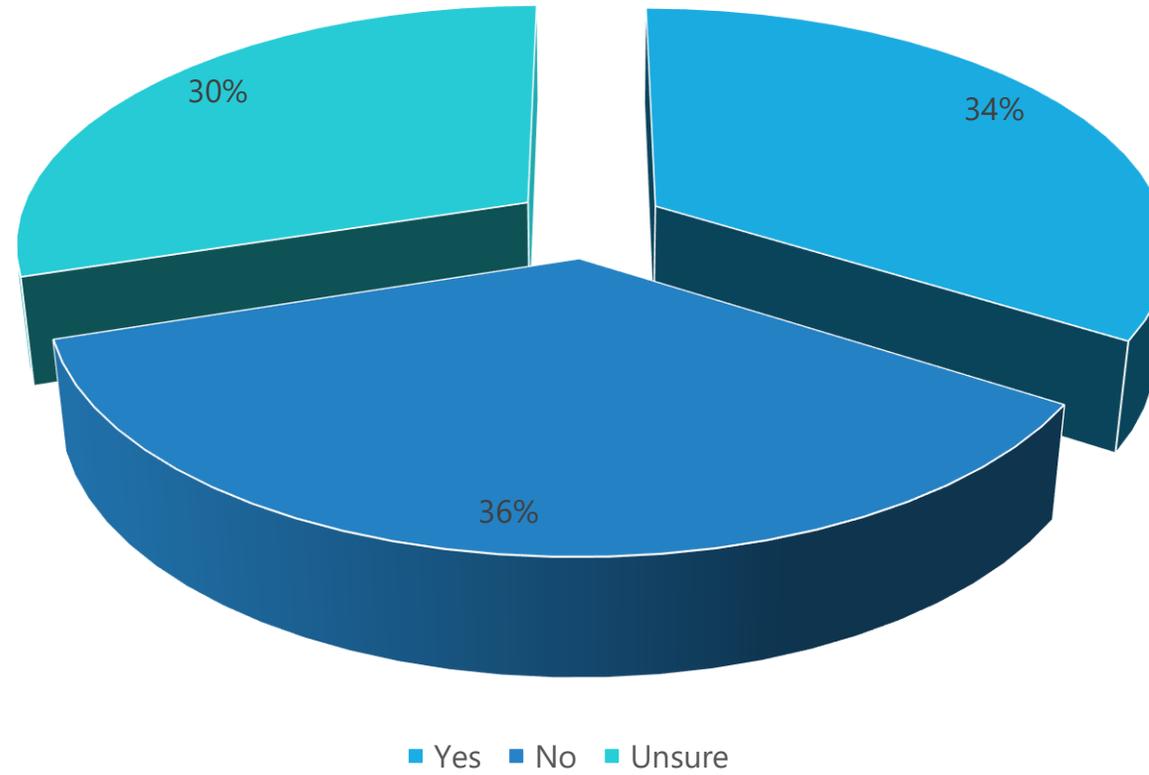
*Have you recently transitioned from working full time at a corporate location to working from your home office?*



■ Yes ■ No ■ Had already been working at home

# Transition to Remote Work

*Is the transition intended to be permanent for the foreseeable future?\**

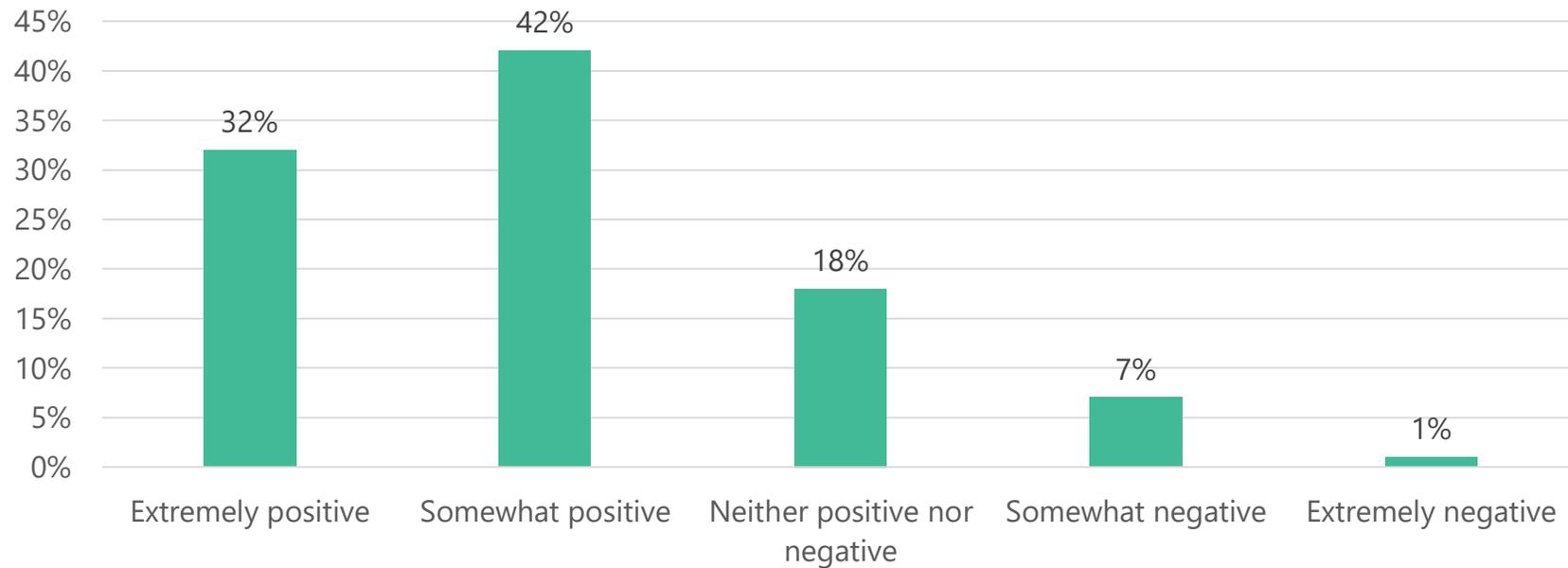


\*

Asked only of those that transitioned to remote work (46%)

# Transition to Remote Work

***Would you describe the transition to working remotely as...?\****



\*Asked only of those that transitioned to remote work (46%)

# Key Takeaways from the Study

- The study provides strong evidence for the quality of a company's recognition program on employee engagement outcomes such as job satisfaction, motivation, intention to remain employed, willingness to advocate for the company as both an employer and its product and services, and even profitability.
- Employees differ in how they like to be recognized for their work contributions.
  - 'One size does not fit all'
  - Different preferences exist among the preferred source and delivery of recognition.
- There are some things that are more widely preferred than others.
  - Paid days off is easily the most preferred type of recognition.
  - Other highly desired type of recognition included gifts cards, special experiences like concerts or ballgames paid for by the company, flexible scheduling, and having a lunch or dinner with family/friends paid for by the company.
- In some cases, highly desired recognition approaches are severely under-utilized.
  - Having the company pay all expenses to a special event experience
  - Having lunch or dinner with your family paid for by the company
  - Food gifts
  - Award points that can be redeemed

# Key Takeaways from the Study

- In some cases, the recognition people most prefer does not appear as strongly associated with engagement outcomes as other less preferred recognition.
  - While you must be careful with cause-effect conclusions, particularly with relatively low sample sizes, it's possible that some other approaches, while de-prioritized, represent things people don't necessarily say are important, but appreciate when they receive them
- Cash bonuses are an example of a reward nearly everyone prefers, but which tends to have less of an association with engagement outcomes compared to other annual rewards such as incentive travel or merchandise awards.
- In the current pandemic, a relatively small portion of the workforce (16%) has changed its recognition preferences, generally having a greater preference for cash bonuses, gift cards, and merchandise than for incentive travel or other awards.
  - The data show, however, that others have shifted toward having a greater preference toward incentive experiences that are within driving distance and have less interaction with other people.
- Having a choice in rewards/recognition is a very important aspect to the majority of individuals.