

The 'Signaling' Role of Non-Cash Rewards & Benefits in Talent Attraction

IRF/Harvard Business School meta-analysis involving 45,000+ subjects¹

1. *Employees who receive non-cash compensation are happier than employees who do not (no surprise!).*
2. *Prospective employees are more likely to choose jobs with greater non-cash benefits and lower salaries when the cash value of these non-cash benefits are listed.*
3. *Organizations that list the cash value of non-cash benefits and rewards are perceived as caring more about their employees and about work-life balance. They receive significantly more applications to their job listings.*

As more benefits are described, number of applicants increases

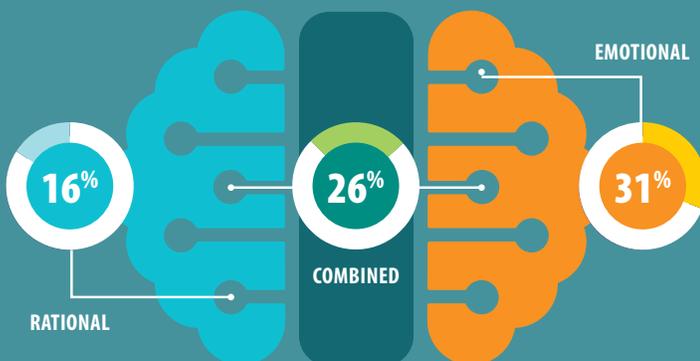


Job ads (and branding) that signal a caring culture based on non-cash rewards and benefits appear to trigger the same positive response as ads and branding aimed at consumers' emotions.

Why? In circumstances of information asymmetry, the disadvantaged party looks for signs, hints, or 'signals.' In this case, signals that hint at what it might be like to work in an organization. Decades of academic research into Signaling Theory support this hypothesis.²

Consumer Ads that Trigger Sales³

Percentage reporting large profit gains



Key Takeaways

1. *Include clear descriptions of your non-cash benefits and rewards in your employer branding efforts: job ads, referral program, corporate career site, social media, SEO/SEM, etc.*
2. *Especially feature benefits and rewards that might trigger emotion and signal a caring culture (flexible work options, incentive travel, peer recognition, generous PTO, company celebrations, etc.).*

¹ A. Whillans, J. Yoon and A. Schweyer (2019) *From Dollars to Sense: Placing a Monetary Value on Non-Cash Compensation Encourages Employees to Value Time Over Money*. Harvard Business School Working Paper 18-059

² B. Yasar, T. Martin and T. Keissling (2020) *An empirical test of signalling theory*. Vol. 43 No. 11, pp. 1309-1335.

³ Roger Dooley (2017). *Research Shows the Most Effective Advertising Focuses on Emotion*. Neurosciemarketing.com. <https://www.neurosciemarketing.com/blog/articles/emotional-ads-work-best.htm#>