DECENTRALIZED WORKFORCE:
Fundamental Drivers & Engagement in the New Workplace

By
Allan Schweyer (Incentive Research Foundation)
Angela Fan, Emily Ford, Ji Hyoung (Genie) Kang,
Alexy Kushnir, PhD (Carnegie Mellon University)

Executive Summary

During Covid-19, the workplace underwent a rapid transition from on-premises to remote work. Even as the pandemic recedes, evidence from many studies and worker's surveys suggests that the shift is lasting, and that the demand for remote and flexible work may be symptomatic of a broader, rebalanced approach to life and work. Consulting firms, think tanks, the media, and academia have and continue to produce valuable data and advice about managing the distributed workforce. Very little, however, has emerged so far on the best use of incentives and rewards to engage, retain, and motivate remote and hybrid workers. The main purpose of this study is to close that gap.

Based on surveys involving 2,000 participants in April and May 2022, extensive background research, and interviews with ten incentives industry experts, we have identified the key challenges associated with remote work and the corresponding incentives best suited to address them. According to our survey respondents, issues around communications, collaboration, isolation, and FOMO – the fear of missing out on information, opportunities and promotions – represent the most important challenges faced by remote workers and their managers.

After initial skepticism, managers increasingly believe that remote employees perform as well as on-site workers. Nevertheless, even among respondents most adamant in their desire for flexible work, issues around communications and collaboration arise. Our respondents and interviewees mirror much of the reporting referenced above around the challenges of remote work; namely that with the erosion of communications, collaboration, and inclusion comes loss of relationships, trust, and innovation; elements no twenty-first century organization can afford to compromise.

Flexible and remote work can no longer be considered rewards in themselves. Rather, for many workers, they are an expectation – conditions of work that influence whether they join a firm or stay. Thus, other rewards and incentives are needed to engage and motivate remote workers; to foster remote worker communications and collaboration, and to encourage employees to come together (virtually and in-person) at a frequency that serves their needs and those of the firm.

We have identified the following intangible motivators as those most critical in engaging the remote workforce, and those that most contribute to an effective remote and hybrid work experience. Each is driven and reinforced by tangible incentives designed to recognize and reward desired behaviors among managers and employees.

1. Interesting work and the granting of trust and autonomy (including flexible and remote work)

2. Access to information, including opportunities for growth (learning, assignments, jobs, promotions)

3. Frequent interaction with direct managers

4. Online tools to boost recognition and appreciation

Employees and managers prefer the tangible rewards below. Our expert interviewees emphasize tangible rewards like travel, meetings, experiences, and points-based recognition platforms as most vital in encouraging communications and collaboration among the remote/hybrid workforce.

1. Cash, points, and open-ended gift cards

2. Time off

3. Travel

4. Experiences (i.e., dinner for two)

5. Gifts presented by manager

Introduction

As public health concerns recede, many industry leaders have pushed for a return to pre-pandemic workforce arrangements. In March 2022, large Silicon Valley companies such as Apple and Alphabet made headlines for mandating a return to the office. In June, Elon Musk ordered all Tesla employees to work at least 40 hours a week on-site. In many cases, US employees have resisted and/or refused back-to-the-office mandates. For example, despite determined, well-publicized efforts by several financial industry executives to bring workers back, 92 percent of New York City workers maintain fully remote or hybrid work arrangements as of June 2022. Even attempts to institute hybrid work involving more than a day or two in the office have frequently failed – including at Google and Apple (Goldberg, 2022; McKinsey, 2022; Velsey, 2022; Franklin, 2022).

By all accounts, a new, post-Covid normal has emerged in which flexible work arrangements – including scheduling flexibility for those unable to work remotely – are no longer coveted perks reserved for the minority, but 'table stakes' demanded by a majority. Indeed, many of the workplace incentives and motivation professionals (henceforth termed 'experts') we interviewed for this study expressed their belief that the shift toward remote work won't be reversed:

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> I have people who say they are feeling disconnected; they miss the synergy and serendipity, but they also give every indication they will quit if they are forced back to the office. My team is 100% remote. We have hired a lot of people to lead teams remotely, with talent from all over the country that we were able to recruit. You cannot take back the flexibility people have gotten used to, like being able to attend their kid's recital or soccer game. People have also invested in their home offices, they don't want to leave that comfort to commute on public transport or go to a hoteling cubicle and spend all that time setting up when they could be working; and then only to have limited interactions with the right people because those people are probably not working in the office that day. The genie is out of the bottle forever. You cannot require these employees and leaders to be in the office.

In March 2022 the Incentive Research Foundation (IRF) and Carnegie Mellon University (CMU) conducted a survey of over 1000 employees and managers. We found that 82% of employees and 84% of managers wanted to work remotely more of the time, citing the desire for more flexibility and autonomy (Schweyer et al, 2022). In a follow-up survey of similar scope conducted in May, over half (55%) of our respondents indicated that they would prefer to work remotely full-time. To do so, 9% reported their willingness to take a pay cut of up to 10%. Much is gained by permitting employees more flexible work arrangements, but there are risks as well. We received hundreds of comments from survey takers that can be summed up to a degree in this quote from a participant in our May survey:

> **I would never willingly give up remote work, but the biggest drawback is being less able to form friendly relationships with others in my workplace.**

Our survey results reflect classic differences between those who lean to extroversion versus introversion. As was the case long before the pandemic, some employees require more social connectivity and recognition than others. Yet even those who prefer to 'be left alone' must collaborate to produce relevant outcomes useful to their firms. Thus, the means and methods of incentivizing the new workforce will present familiar and new challenges for reward program designers. According to our findings, the overriding priorities lie in reinforcing communications, encouraging collaboration, and building relationships and trust. One expert interviewee told us:

> **The vast majority of organizations we work with have a large percentage of their employees working remotely. Some are moving people back to the office, but it will never come back to what it was. Direct and indirect incentives are needed to balance this new reality; to keep remote workers connected, engaged, included, and productive.**

The mass movement to a distributed workforce remains a new phenomenon. Leaders, managers, and employees are still determining the best ways to operate in the new reality. This calls for incentive designers to craft programs that promote worker well-being, sustainable productivity, connectedness, and innovation. The purpose of this study is to identify tangible and intangible rewards and incentives best suited to motivating the remote and hybrid workforce. Though only time will tell whether the shift to a distributed workforce is permanent, there is little doubt that the new phenomenon will shape the work environment for years to come.

A 'Once-in-a-Generation' Opportunity

According to the authors of the bestselling 2021 book *Out of Office*, the shift to remote work may represent a once-in-a-generation chance to reset the experience of work. Executed properly, remote work can increase worker well-being by granting them more time to spend with family, to make connections with neighbors, and even to build back their communities. This opportunity can be used to correct toxic work cultures as well, but leaders and employees must aim to establish new norms that embrace worker autonomy, real flexibility, and more diversity and inclusion.

The authors argue that most people don't know how to work from home effectively, just as most leaders don't know how to manage remote workers. They advise firms to teach these skills and to incentivize actions and behaviors on the part of managers and employees that support effective remote and hybrid work. An expert interviewee echoed these thoughts:

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> **People are still working with kids in the house and juggling their various responsibilities, so I think it's about the willingness to trust in letting people work full time remotely and choose their hours. I see it working better and better here as leaders and managers learn new skills in trusting their teams and managing based on performance.**

Our surveys of nearly 2,000 employees and managers across North America and the United Kingdom provide insights into the challenges of remote work, and strategies for designing incentives to overcome them. Our surveys, expert interviews, and secondary research highlight the important role of managers in employee well-being and motivation. Beyond compensation, our survey respondents report that work environment, interesting work, and autonomy are the most important factors in engagement and retention – conditions highly influenced by managers. In assigning tasks and setting performance standards, managers are an important source of motivation. Respondents indicate that recognition by an immediate manager is the most motivating form of recognition, even more so than recognition by senior leadership or peers.

In May, 2022, the Incentive Research Foundation published *The Role Of Incentives In Today's Decentralized Workforce*. This companion report presents the findings of our follow-up survey and a series of expert interviews which address questions raised by our literature review and initial survey in March. It expands on the findings to provide more specific insights into what leaders and managers can do to motivate and incentivize their distributed workforce.

Challenges and Concerns

Including isolation and FOMO-related anxieties, remote work presents unique challenges. 69% of the 296 managers who completed our second survey (May 2022) expressed that they have concerns regarding remote work. Though still a large majority, their numbers are far lower than the 98% who reported concerns in our March survey.

Though it cannot be stated with certainty, our findings suggest that managers are becoming acclimated to and more accepting of remote work as they experience positive outcomes and grow more comfortable with new ways of managing, motivating, and measuring worker performance. Our survey results from March and May 2022 reveal that most manager respondents work remotely themselves and hope to do so more often. Our expert interviewers also agree that managers are growing more comfortable leading the distributed workforce. These findings suggest greater acceptance of the new workforce realities.

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> **For years we have been slowly moving to more remote work, but managers were uncomfortable because they couldn't see their reports. The pandemic showed them that people work better and probably more when they work from home. Now, most managers see the benefits of the hybrid work model.**

Despite a growing acceptance of and comfort with remote work, employees and managers consistently convey concerns surrounding isolation, communication, and collaboration when working remotely. These concerns are strongly echoed in the media, as well as in academic studies of the distributed workforce even before Covid-19, and in our expert interviews. Sundar Pichai, CEO of Google, for example, cited "a real desire for people to communicate and collaborate" as a primary reason for encouraging workers to return to the office in 2022 (Elias, 2022). Our previous survey found factors related to isolation to be top concerns for both employees and managers. In this survey, fewer communications with colleagues and missing out on information were listed among remote workers' top concerns (see Figure 1).

Figure 1: Overall Ranking of Concerns Surrounding Remote Work

Reverse-coded Average Ranking
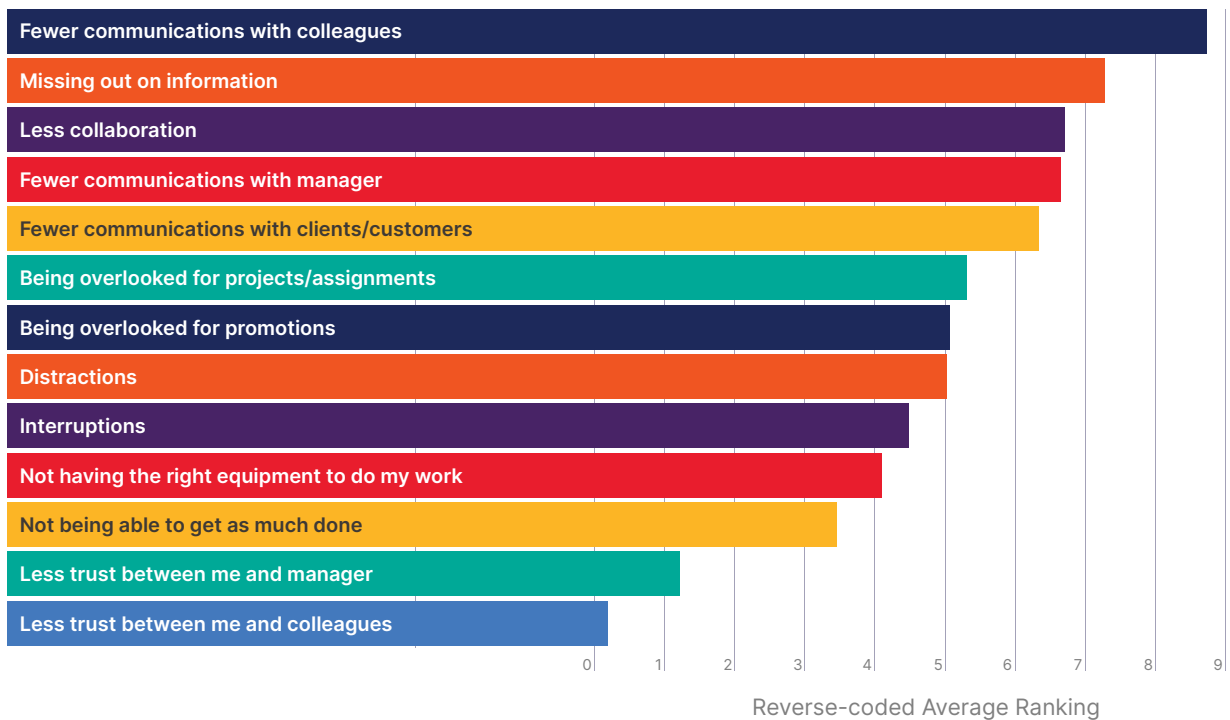
Nearly 50% of surveyed employees reported that remote work resulted in less communication with their managers and nearly 80% reported less communication with colleagues (see Figures 2a & 2b).

Figure 2a: Degree of Communication With Manager in Remote Work Environment
Compared to in-person work environment

10% A little more

42% About the same

33% A little less

14% Much less

1% Much more

Figure 2b: Degree of Communication With Colleagues / Team Members in Remote Work Environment
Compared to in-person work environment

8% A little more

29% About the same

38% A little less

24% Much less

2% Much more

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Furthermore, over 45% of respondents (managers and employees) reported feeling less connected to their organizations (see Fig. 3). This finding aligns with previous studies showing that remote workers feel an increased sense of alienation and loneliness (Raycheva et al., 2020; Shah et al., 2020; Knight et al, 2022).

Figure 3: Feeling of Connection to the Organization in Remote Work Environment
Compared to in-person work environment

47%
About the same

5%
A little more

34%
A little less

12%
Much less

2%
Much more

Alienation can also manifest as fear of being cut off from information and opportunities – for good reason. Recent research by Alliance Virtual Offices found that remote workers were 38% less likely to receive bonuses and more likely to experience negative performance reviews despite working an average of 50% more overtime (Burgess, 2021). Respondents in our survey voiced fears of being "forgotten," "not needed," or even replaced. Over one-quarter of our respondents desire more meetings with their managers, more access to information, and policies to ensure remote workers get equal access to advancement as top motivators. Many of our expert interviewees expressed similar concerns:

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> **As far as what motivates people, it isn't necessarily the reward that motivates as the connection with the organization – their manager and colleagues – that's what drives them more than anything else, the award is just an expression of thanks in many cases.**

Autonomy also remains a top priority for individual contributors and managers. 38.1% of respondents listed more autonomy as their primary motivator, citing a desire for less micromanagement and a more flexible work environment. Autonomy contributes to perception of job control, which is associated with better work life balance and lower risk of emotional exhaustion (Becker et al, 2022). Although remote work offers opportunities for autonomy and flexibility, simply allowing employees to work from home does not guarantee autonomy, especially in an era of intense digital surveillance.

Despite the evidence that managers are growing more comfortable leading remote workers, many – especially new managers – have difficulty trusting employees to perform out of the office. In our March survey, 49% of managers believed that hybrid or remote workers were more productive but only a third believed that their own reports were more productive working remotely. Fear of underperformance has led to an increase in invasive measures and micromanagement. A 2021 survey of 2000 employers and 2000 employees found that 78% admitted to using employee monitoring software despite 83% believing it is unethical to do so (Smith, 2021). Such displays of mistrust can adversely affect job satisfaction, increase counterproductive behavior, and decrease commitment (Indiparambil, 2017). One of our expert interviewers warned:

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> **There are leaders saying that if you are not in the office, you aren't working. You have to acknowledge this and build trust even before the incentives. It's a mindset shift.**

Surveillance also creates anxiety and pressure to work more, increasing risk of burnout. 56% of employees in a recent ExpressVPN survey reported feeling stressed or anxious, and 32% reported taking fewer breaks. Respondents to our May 2022 survey expressed similar feelings of not being trusted or having to work more to avoid being perceived as lazy (Smith, 2021).

Motivating and Rewarding the Remote Workforce

Our analyses suggest that incentive designers applying the right rewards, and recognition can make an immediate, positive impact on the new world of work by using their knowledge and tools to overcome remote worker isolation and diminished communication, collaboration, and trust. Our interviewees stressed the need to rethink and adjust incentives to address a much different work environment:

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> **Ask your people what they need and want, listen, and then allocate budget to it. Our leaders and managers have become more open and willing to do these things for remote workers since the pandemic. Old school managers won't be successful. You have to trust people. Training and incentives can help to change managers' mindsets. In our business, people can and do work from anywhere. Incentives should be used to recognize managers who take the training and exhibit the behaviors.**

Managers can address concerns around isolation by proactively establishing channels of communication. Open chat rooms, regular meetings, and "virtual water coolers" where employees can interact with colleagues and managers. This has been shown to reduce isolation and benefit career advancement, especially for junior employees (Bojinov et al, 2021). Opening these channels may also help create a support network, which has been found to improve employees' well-being (Wang et al, 2020).

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> Since Covid, employees are doing more things like playing musical instruments, cooking, mixing drinks, and so on, so we leverage that in our virtual get togethers. Employees show off their skills. This keeps it fun and interesting and connects remote workers at a deeper level.

Open communication will also improve mutual trust and reduce the perceived need for invasive monitoring and micromanaging by increasing visibility (Henttonen & Blomqvist, 2005; Errichiello and Pianese, 2018). In addition, more trust will create a more autonomous work environment, which is important for employee satisfaction and performance (Deci & Ryan, 2008; Wright and Davis, 2003; Agbozo et al, 2017; Usman and Sandyaningrum, 2022), and the top driver of engagement and retention cited by our survey respondents whether employee or manager (Table 1). As one expert interviewee suggested, trust and autonomy are rewards in themselves:

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> I think you can have even better relationships with remote workers than those in the office. In person work doesn't necessarily lead to better relationships, especially for Gen Z who communicates better remotely and digitally. All of this impacts incentives. Leaders have to think through the science of human motivations – especially the elements of self-determination theory (SDT) – autonomy, competence, connectivity. Extend trust, give people learning opportunities, recognize their work more granularly, and congratulate people for building skills. Keep people connected. Even if they never meet in person they can have a close relationship.

Table1: Motivation to Stay and Engage

EMPLOYEE OVERALL RANK	MOTIVATOR	MANAGER OVERALL RANK
1	More autonomy in how where and when I do my work	1
2	Policies that ensure equal access to leaders, promotions, information, learning, assignments, etc. for those working remotely	4
3	More self-service access to information and updates	3
4	More calls, texts, and/or online meetings with my manager	2
5	An online tool to share appreciation, recognition, and points	6
6	An open online internal job and assignment board to review opportunities and apply	7
7	More emails, texts, etc. from my colleagues	9
8	More calls and/or online meetings with my colleagues	5
9	Managers and leaders who also work from home some of the time	10
10	More online meetings or conference calls with my team	8
11	More praise and recognition from manager	11
12	More praise and recognition from colleagues	12

The results in Table 1 also support our findings related to employee and manager concerns about working remotely. The demand for flexibility is crystal clear – far and away the greatest driver of engagement and retention. Yet along with flexibility and autonomy, employees and managers want connection and collaboration, as evidenced in their desire for more access to information and opportunities as well as more interactions with managers and colleagues.

A Resurgence in Travel and In-Person Experiences

According to our interviewees, the relaxation of Covid protocols has resulted in a sharply increased demand for face-to-face events, meetings, and, especially, group incentive travel. Our experts attribute this demand in part to a pent-up desire to get out, to travel, and to interact with others in person. In working with managers and clients in the design of these rewards, they emphasize communications, trust-building, relationships, and opportunities to collaborate. Rewards that bring employees and leaders together in-person are seen as an important remedy to concerns around isolation and loss of trust and communications in remote and hybrid work.

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> We're seeing a massive resurgence in group incentive travel. Our 2023 portfolio travel is already bigger than it was pre-Covid. There is huge demand. This is not new to Covid, but the remote work situation compounds it and puts more emphasis and importance on bringing people together face-to-face.

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Firms are looking to group travel to recognize top producers and bring colleagues together in an exciting destination. We're also starting to see more executive leadership retreats and offsites, with elements of recognition in terms of who gets invited.

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Travel has come back as the incentive of choice. We still offer group incentive travel earners the option to take a reward equivalent if they prefer not to go on the trip, but that option is rarely exercised anymore.

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At the top of the list now is a feeling of connectedness and therefore group travel has enjoyed a steep resurgence. People are craving the opportunity to see each other face to face. Firms are benefitting when otherwise remote workers come together, converse, and build relationships and trust.

To a significant degree, our survey results mirror what our experts are observing in the field. Preference in 'small/frequent' (Table 2) and 'large/infrequent' (Table 3) incentives suggest that while respondents prefer flexible rewards that they can use to purchase what they want – and time off – they also value experiential rewards, including weekend getaways, shared dining experiences, luxury trips with a partner, and group incentive travel. Learning opportunities fall in the middle, while team-based events – live and especially virtual – are the least preferred rewards among the remote workers who responded to our surveys (Tables 2 & 3).

Employer and employee preferences do not necessarily need to be perfectly matched. Reward designers must collaborate with other leaders to design rewards that counter the negative effects of remote work, even if employees don't always know precisely what's best for them. At the same time, the onus is on designers and leaders to create experiential rewards that employees want to earn and participate in. As one interviewee said, despite great creativity during the pandemic, virtual team gatherings may no longer hold their appeal.

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Fancy online wine tastings and BBQs are declining because getting together in person is so much more important. No one has asked me for virtual events in the past year, but conferences, offsite meetings, and incentive travel are increasing steeply because people want to come together. There is a trend toward smaller experiences, smaller groups, and more intimacy.

Another interviewee stressed the importance of designing the type of live team gatherings that employees want to participate in, even if it means driving or flying to attend.

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> I'm partnering with HR around the return to the office and re-introducing picnics and parties which were a big part of the culture before the pandemic. We have opened the offices and people can come in if they like. We have snacks and have made the new HQ very nice. Part of it is our campus events strategy with a monthly happy hour to draw people in. I believe you gain so much in person and can only go so far virtually, but we are experimenting with hybrid events too, some virtual, some in office, and some that include families too.

Table 2: Remote Worker Reward Preferences (Small)

EMPLOYEE OVERALL RANK	MOTIVATOR	MANAGER OVERALL RANK
1	Visa gift card presented by manager	2
2	A day off	1
3	A weekend away with hotel for two (of equivalent value to Visa gift card)	3
4	A gift card for a shared experience for two presented by your manager (of equivalent value)	4
5	A luxury gift chosen and presented to you by your manager (of equivalent value)	5
6	The equivalent value points awarded to you by colleagues	6

The design of group incentive travel programs requires reconsideration as well. Whether the goal is to build new relationships or strengthen existing ones, interviewees explain that smaller and more intimate group travel programs facilitate better connections .

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> At this year's group incentive travel event, instead of a plenary welcome reception we did regional receptions. We broke it up into six regional receptions giving people more time to connect with those from their region and find a friend. People loved it. It gave them a chance to meet in smaller groups instead of in one large general session. We had the event at one resort but broke almost half of it out by region. Again, this helped people connect, feel recognized, and have more conversations with leadership. It may have made them feel safer too.

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We have created several programs to break our employees into smaller cohorts across functions, including sales, marketing, operations, finance, research, etc. These smaller teams and groups make better use of live and virtual connections, through happy hours, coffee time, trivia hours, volunteering, group travel, and other opportunities to connect.

Table 3: Remote Worker Reward Preferences (Large)

EMPLOYEE OVERALL RANK	MOTIVATOR	MANAGER OVERALL RANK
1	Visa gift card presented by manager	1
2	Time off	2
3	An equivalent value luxury trip for two	3
4	A high value (equivalent) luxury gift presented by manager	4
5	An equivalent value group travel reward for reaching annual goals (accompanied by other high-performers and executives)	5
6	Tuition paid (equivalent value) for a professional certificate program	7
7	Attendance at a professional conference (equivalent value - travel, registration, luxury hotel, etc.)	6
8	An equivalent value in-person team event to recognize team achievements	8
9	An equivalent value virtual team event to recognize team achievement to recognize team achievements	9

A Renewed Focus on Well-Being: Physical and Mental

Research by Owl Labs and the National Bureau of Economic Research (NBER) shows that a majority of employees work longer hours when remote compared to in the office (Owl Labs, 2021; DeFippis et al, 2020). Remote work also blurs the separation between work and home, potentially increasing stress (Hayes et al, 2020). Although our survey respondents did not explicitly list overwork as a concern, they expressed a high demand for time off (Tables 2 & 3). When asked about incentives, 42.7% of respondents ranked a day off as their most preferred frequent (small) reward, and 44.5% ranked time off as their most preferred infrequent (large) reward – by far the most in either category. Vacations can be effective in providing relief from burnout and can also improve creativity; however, the effects fade quickly (Westman and Eden, 2001; Fritz and Sonnetag, 2006; de Bloom et al, 2014).

When using time off as an incentive, managers should work to promote a culture that enables employees to feel comfortable in taking rest, starting with taking breaks themselves. To quote management expert Jennifer Moss, "Employees can't be what they can't see." More direct strategies such as blocking notifications or even shutting down access to email servers may also be employed (Pansu, 2018). Two of our interviewees who specialize in workforce wellness offer this advice:

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> Leaders need to create a healthy work culture, whether on-site, hybrid or fully remote. Encourage breaks, stretching, walks, and working smarter, not harder. Set meetings so that they don't occur back-to-back. Instead of on the hour, schedule them to start 15 minutes after each hour to permit breaks and transition time. Focus people on the work they like and do well. Don't pursue perfection at the expense of 'good enough.' Offer more mental health days and use of vacation time. Show people how to use their mental health and vacation days productively – to build healthy habits. Give people remote access to dieticians, social workers, psychotherapists, and exercise therapists. Pay even more attention to DEI, especially inclusion-related factors, and eliminate any stigma around mental health issues and treatment.

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> Incentives should be used to help employee mental states as well. A lot of hours are dedicated to work so this is important. It has been missed a bit in the last two years, but it all plays to wellness, retention and engagement, things people talked about less in the past but are turning to now.

Loneliness, stress, and burnout are vital workforce hygiene factors (Herzberg, 1966). Incentives and rewards can be used effectively to encourage wellness and well-being through direct time-off rewards, gym membership, flexible work options, onsite access to specialists, and by encouraging manager and employee behaviors that reduce stress and introduce better balance.

The Importance of Recognition

Successful incentive design, whether for in-office or remote work, must address motivational factors such as meaning and recognition. Though recognition was not a strong self-reported source of motivation for respondents in our surveys, a robust body of literature (e.g. Brun and Dugas, 2008; Tessema et al, 2013; Bradler et al, 2016; Chanana and Sangeeta, 2020) demonstrates that employee recognition is essential to engagement and performance for most people. Survey respondents were very clear about the importance of and desire for more manager interaction but less so about manager and/or peer recognition (Tables 1, 2 & 3). This might reflect a need for better guidance and coaching around providing recognition and appreciation, as was urged by several of our interviewees:

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> We've seen a big uptick in employee incentive spending with much greater use of rewards points programs than in the past. This may be for retention but it's also for culture and, if done well, to build a sense of connection among the distributed workforce.

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> We have definitely suffered a loss of collaboration, what I would call a sort of a loss of visibility. We have had a lot of people move to other states, and that creates a sense of a very dispersed workforce. We have all hands meetings where people come in virtually but there are some things that don't translate remotely. As a manager you have to get in front of those things, or the experience as a remote employee will be diminished. We have a points program where employees and managers can send e-cards, and they can add points if appropriate. You can reward as few as 50 points ($5) and as high as 5,000 points ($500). Some people have banked up to 50,000 points ($5,000) but they shrug, they say they are not as valuable anymore. What we are seeing throughout the remote workforce especially, is that despite the value of points people have collected, there is no real personal connection. The points recognition program has lost its shine maybe because it was overused during Covid. We are changing it now so that you can upload a video saying why you are rewarding points and appreciating a team member or colleague. Recognition – maybe especially for remote workers – is more valuable than the reward. This is very similar to in person events because the videos create connections, and that piece has been missing.

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> We are seeing the use of more points – managers are more interested in keeping remote workers engaged rather than just showing appreciation, so we are seeing more of a shift to points-based programs that permit manager and peer-to-peer recognition where those who award points also describe their reasons for doing so, which is captured in the system. This keeps remote employees connected.

Our May 2022 survey reveals that overall levels of recognition are relatively low. This too may be a cause of our respondents' lackluster response to manager and peer recognition in our survey and reflected in interviewee comments.

When asked about effectiveness as a motivator, recognition by managers was ranked second lowest of twelve non-tangible drivers, and peer recognition was dead last (Table 1). Respondents also ranked all forms of tangible recognition involving points and events as among the least effective. This is not entirely surprising given the challenges around developing culture with a distributed workforce (Coffey and Wolf, 2018; Raghuram, 2021). The existence of a supportive company culture has been found to be a primary moderator of the effectiveness of recognition (Saunderson, 2004; Ghosh et al, 2016).

These results do not suggest that recognition is ineffective. Rather, they point to the importance of building a supportive culture and teaching managers and employees how to provide meaningful recognition in the right ways (especially remote recognition). Our interviewees had much to say about this:

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> Personalize recognition, don't just give points. Encourage people to type in a sentence or two when you recognize your peer, explaining the reasons for the recognition. This is even more important when employees don't see each other as much.

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Use platforms like Slack not to monitor people, but for connecting with colleagues and even for things like internal mobility (finding new jobs and assignments inside the firm).

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We have a company recognition program based on employee nominations for living the values. An external experiential reward vendor is used, which includes options valued from $150 to $20,000. There are 16 of these per year in our program. We announce winners in an online company meeting to spotlight them. Before the open call, we call the earner to give them the good news and we show appreciation more personally; then we celebrate with them during the company meeting call. We also use Slack for shout outs and have a channel for peer recognition. Managers are allotted $100 per employee, per quarter for spot rewards and recognition.

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Firms need an employee engagement platform and strategy to communicate the things they want people doing and to get participation levels up and inspire them that way. They need the technology to reinforce activities and interactions – behaviors, things that help remote workers feel appreciated. Recognition platforms scale appreciation and encouragement of positive behaviors. They help ensure that it is done and recognized consciously and involves peers as well. With so much of the workforce working remotely, you have to be more diligent in how you share recognition.

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Technology alone can't solve challenges associated with remote work. You need the ingredients – the culture – in place first, but the use of points and rewards for the right behaviors, the phone calls made, the learning shared with peers, the collaboration, is crucial now.

Using Incentives to Encourage Work from the Office

A strong body of evidence assembled before the pandemic, and to a degree since, suggests that well-considered hybrid work arrangements can deliver the benefits of both on-site and remote work – the best of both worlds (Bloom, Liang & Han, 2022) (Coffey & Wolf 2018). It is critical that employees' time in the office is meaningful and productive. This means making sure that those who need to collaborate most work from the office on the same days and in close proximity. It includes scheduling in-person meetings on those days that deal with issues most in need of face-to-face interaction, and perhaps, leveraging in-office days for team-building initiatives such as lunches, group volunteering, and after-hours get togethers. This demands collaboration between managers and incentives designers. One of our expert interviewers told us:

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> Lunch on us, dinner on us, tends to bring people together in person.

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> Our executives want people to start coming back, there are conversations about that. They are collecting data about performance differences between people working on site and remotely, and data about what motivates people to come into the office. We have an empty 18-story tower in the city. We are trying things like adding recreation rooms and ice cream socials. All of the food is now free. I'm half expecting the executive team to add cash bonuses for coming into the office. We are also looking into converting a space for onsite physiotherapy. And, we have an automated matching system so that when you schedule a day in the office it automatically assigns you a workspace beside or near colleagues so that there are opportunities for collaboration and communications. These are incentives that draw at least some people into the office at least some of the time.

Many of our survey respondents point to free food and snacks as incentives to work from the office. Other small incentives like expert seminars and lectures, nap pods, and cooking facilities have also proven effective. Firms must exercise caution, however. Free dinners work well but may lead to burnout where employees stay at work into the evenings. Happy hours and other after-hours team-building incentives might appeal to certain demographics but not others – non-drinkers and those with family care responsibilities, for example.

On the whole, firms should not expect workers to come into the office except where there is a clear reason to do so. This might mean one to two days or more each week, or – where remote workers live out of state – even just once per quarter for a few days in a row. Increasingly, firms are facilitating in-person work and get-togethers using hub offices in suburbs or even coffee shops where several remote employees may work in the same city, for example. Whatever the desired frequency of on-site work, leaders should use the carrot rather than the stick.
A high-trust work environment in which employees are treated like adults will attract people into the office. Where a work environment is paternalistic or otherwise toxic, employees have little means of escape except to work from home. As two of our experts have seen, leaders who communicate respect and caring tend to generate feelings of reciprocity and cooperation:

> ❝ ❞
>
> We had a client who wanted their employees to come back to work. By treating them more respectfully, they accomplished this. They offered thank-you gifts for returning, something meaningful for each individual – they had us do a selection of gifts and merchandise across the demographics, and had us look at how to communicate more effectively with them. They also wanted to convey the importance they put on keeping workers healthy and so a big emphasis was placed on communications and empathy.

> ❝ ❞
>
> We encourage people to work from the office by offering social rewards like guest speakers, training and onboarding, and also community volunteering, team building at a local brewery or museum – things along these lines to bring people together and have fun. Instead of trying to get people in five days a week, some of our clients have switched to a strategy of bringing them together in offsites. These events help reestablish connections and link people to their purpose.

Conclusions

Incentives and rewards can play an important role in overcoming the challenges of managing a remote workforce. In particular, providing channels of communication, offering experiential, face-to-face rewards, providing frequent manager and peer recognition, and demonstrating concern for employee well-being with time off rewards, and/or access to wellness resources, will help address loneliness and burnout.

Inventive design is important, but our results also highlight the importance of developing a supportive, respectful, and trusting culture. Developing this environment will not only address the key concerns around remote work, it will also boost the effect of incentives and rewards. Incentive program designers should work together with managers to increase communications, collaboration, trust, and overall motivation.

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Appendix A: Tangible Rewards Experienced

Respondents were asked which tangible reward type they had experienced over their working lives so far.

Tangible Rewards - Individual

Reward	No	Yes	%Yes
Cash bonuses	341	348	50.51%
Gift cards	360	329	47.75%
Tim off	375	314	45.57%
Gifts	497	192	27.87%
Attendance at a professional conference or event	552	137	19.88%
None	554	135	19.59%
Experiences	578	111	16.11%
Points	587	102	14.80%
Paid tuition	600	89	12.92%
Cash spot rewards	619	70	10.16%
Individual travel alone	655	34	4.93%
Group travel	657	32	4.64%
Individual travel with partner	662	27	3.92%
Other	674	15	2.18%

Tangible Rewards - Manager

Tangible Reward	No	Yes	%Yes
Time off	104	192	64.86%
Cash bonuses	109	187	63.18%
Gift cards	127	169	57.09%
Attendance at a professional conference or event	176	120	40.54%
Gifts	191	105	35.47%
Experiences	212	84	28.38%
Paid tuition	238	58	19.59%
Cash spot rewards	239	57	19.26%
Points	247	49	16.55%
Group travel	255	41	13.85%
Individual travel alone	256	40	13.51%
Individual travel with partner	263	33	11.15%
None	263	33	11.15%
Other	292	4	1.35%

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