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Key Takeaways

- Incentive designers should employ tactics that attract both women and men to tangible, non-monetary incentives because empirical research demonstrates that, in many cases, these rewards result in higher performance than do cash rewards.
- In general terms, preference for reward type and presentation is likely to differ significantly between men and women. Women tend to be drawn to non-monetary rewards more readily than men. Incentive designers should understand the differences and use them as general guides in incentive design. Of course wide variations in preference will exist *within* the sexes, so the more personalized an incentive or reward program, the better. In practical terms, however, it is not always possible to individualize reward programs. In these cases knowledge of general differences between the genders can contribute to better design.
- [Research from academia](#) and from [the IRF](#) show that when non-monetary rewards are [described vividly](#), most recipients—including men—will often switch from a preference for cash to a preference for a compelling non-monetary reward of equivalent value.
- Design non-monetary reward programs to entice men by making those rewards more salient, visual, and emotionally resonant. The more effectively tangible non-cash rewards are communicated, explained, and presented, the more they will create an emotional response from *both* sexes. Also consider reward presentation and the general differences in preferences for “big show” (men) versus quieter recognition (women).

Those who identify as [women constitute more than 47% of the US workforce](#) and more than [51% of white-collar workers](#). A [significantly higher](#) percentage of women hold four-year college degrees in the US than men, and [women account for 60% of all current college students](#). Clearly, employers who wish to attract, retain, and engage their workforce must cater to the preferences of both men and women. Yet according to the latest annual [US Worker Job Satisfaction survey](#) from The Conference Board, women remain less satisfied than men for the seventh year in a row, and across virtually every aspect of work—from pay and bonuses to recognition, flexible work, well-being, and quality of leadership.

Satisfaction and engagement surveys reflect worker satisfaction with the total rewards of work. Understanding the preferences of men and women for financial and non-financial type rewards at work is crucial for designing effective systems to attract, retain, and engage workers. This article explores the nuances of these preferences, highlighting how gender differences impact the effectiveness of various types of tangible rewards.

When it comes to tangible rewards – a check for \$1,000 versus the latest big screen television, for example – traditional economic theory argues that monetary incentives are always more effective than non-monetary ones due to the flexibility of cash. Research shows, however, that the offer of non-cash tangible rewards, luxury items, and experiences in particular, can [sway recipients away from equivalent cash](#) when given the choice. These earners are also more likely to tell others about those rewards than they are cash.

Moreover, some evidence, though mixed, shows that [monetary incentives might have negative effects on performance due to the motivation crowding-out effect](#). Non-monetary incentives, on the other hand, have [demonstrated positive effects](#), particularly when they are [performance-contingent](#). [In a 2023 paper](#), for example, researchers Choi and Presslee found that tangible non-cash rewards could be more effective than cash rewards depending on how they are categorized by employees.

Indeed, tangible non-monetary incentives, such as merchandise, travel, or gift cards, are [used by more than 90% of US mid and large-sized organizations](#) to the tune of at least \$100 billion each year. This is because [their use often results in improved performance](#). It is important, therefore, for leaders to consider when to use financial, non-financial or mixed incentives, including an understanding of whether a reward type has the same effect on men versus women.

While both cash and non-cash rewards are commonly used, their effectiveness can vary between men and women.

Credible evidence exists to suggest that men and women prefer different rewards, perceive them differently, and respond to incentives and rewards differently. [In a 2020 peer reviewed paper](#) published in the *Journal of Business Economics*, researchers from the TUM School of Management at the University of Munich conducted experiments¹ which revealed that gender-based differences are not only present but pronounced.

In these experiments (using 10 Euros or a large box of Lindt chocolates worth 10 Euros as rewards), men performed better with cash incentives, while women performed better with non-cash incentives. This suggests that men may find monetary rewards more motivating, whereas women may place more value on non-monetary recognition and rewards. These differences appear to stem from variance in feelings of appreciation and performance pressure between the genders as described in the quote below.

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Employers can express their recognition and appreciation of employees' performance by means of incentives; however, employers have to be aware that monetary, non-monetary, and mixed incentives affect men and women and their feelings of acknowledgement differently. For instance, our findings suggest that men feel most valued when monetary rewards are given, while women feel much more appreciated by non-monetary incentives, which is reflected in employee performance.

- Hanna M. Sittenthaler and Alwine Mohnen, 2020

Sittenthaler and Mohnen's findings support the idea that non-monetary incentives can be more motivating due to factors like social reinforcement and separability, as proposed by Jeffrey and Shaffer in their 2007 paper [The Motivational Properties of Tangible Incentives](#). These incentives can provide additional psychological benefits beyond their market value, making them effective in certain contexts, and, the authors would argue, for women workers especially.

Other research that supports Sittenthaler and Mohnen's findings includes a [1996 study, published in the journal Social Forces](#), which found that women derived more psychological well-being from interpersonal rewards than men, who found economic rewards more rewarding. This aligns with the notion that non-cash rewards, which often include social recognition, may be more impactful for women. [A 2021 study on weight loss incentives](#) found that cash rewards were effective for men but not for women, indicating that cash may not universally motivate all genders equally.

Other research has found little difference between the genders in reward preferences and what men and women value at work. [A 1995 study](#), for example, found minor differences in gender preference for work values, and concluded that *"continued emphasis on differences merely serves to reinforce traditional gender-role stereotypes and to perpetuate gender inequality in the workplace."*

On the whole, and in the most general of terms, it is likely that men and women perceive rewards differently and do not have identical preferences. [Research across the social sciences](#) consistently identifies differences between men and women at work [due to a variety of factors](#), including social, psychological, and structural influences. The [Incentive Research Foundation's \(IRF\) own research](#) has revealed stark gender differences between men and women in terms of how rewards should be presented. While some differences are rooted in individual preferences and values, others are shaped by workplace environments and societal expectations.

The effectiveness of cash versus non-cash rewards might vary significantly between men and women due to differences in perceived value and motivational drivers. While men may generally express initial preference for cash incentives, women may (generally) find non-cash rewards more attractive and motivating, particularly those that offer social recognition and personal development. Understanding these differences is essential for designing equitable and effective incentive systems in the workplace and this may be especially important where rewards cannot be easily individualized and/or in organizations whose workforce skews significantly female or male.



Notes

1. A performance-based tournament where participants could earn additional prizes based on their ranking. Performance was measured by the number of correctly solved simple mathematical problems.