Incentive Research Foundation

Insperity®
HR that Makes a Difference®

Total Rewards Top Performer Survey

July 2024

© 2024 Incentive Research Foundation. All rights reserved. | THEIRF.ORG

Background and Methodology

Background

- As a joint research initiative between the Incentive Research Foundation and Insperity, this study was designed to provide insights about effective Total Rewards strategies and the distinctive approaches of top performing companies.
- This report summarizes findings from data collected in May and June 2024.

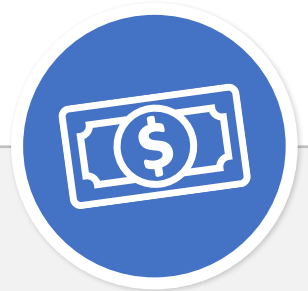
Objective

- Explore the impact of Total Rewards strategies on key business outcomes to identify best practices.

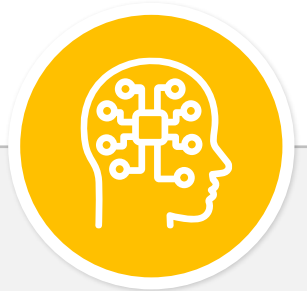
Approach

- An online survey of 1,200 HR and Sales executives was conducted from May 6-June 19, 2024, by Qlarity, an unbiased third-party market research firm.
- The data are analyzed using the 95% confidence interval, with a 2.8% margin of error.

Why Total Rewards?



Provide additional context for non-cash reward & recognition



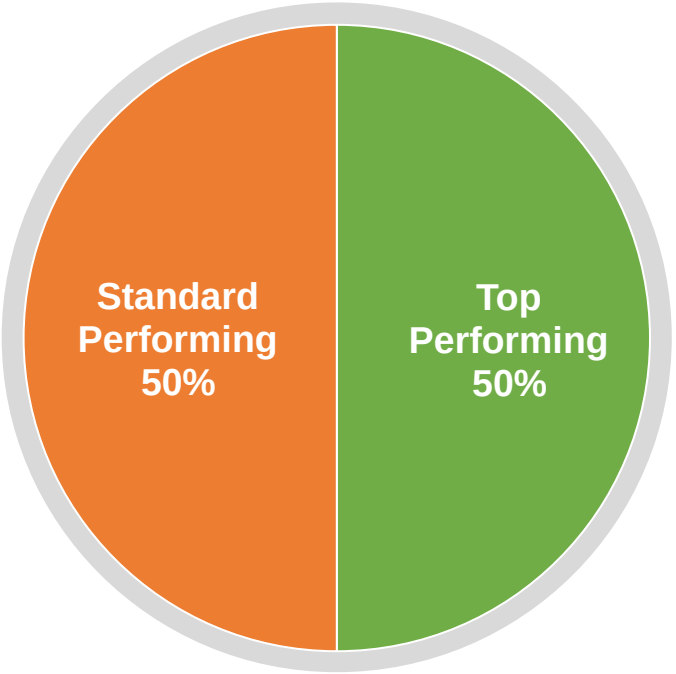
Identify best practices & benchmarking for program designers

Expand reach of IRF thought leadership

Understand key levers correlated with business outcomes

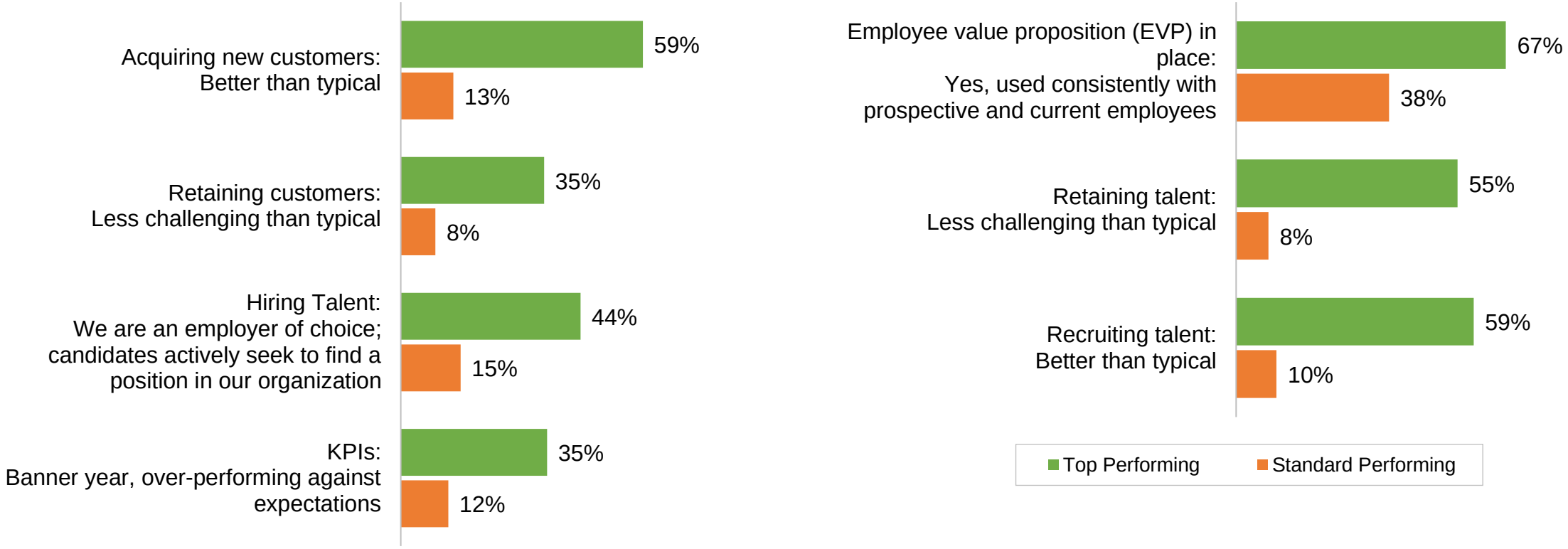
Identifying Top-Performing Companies

- All survey respondents were asked a series of seven questions regarding the general performance level of their organization in the following areas:
  - Recruiting and retaining top talent
  - Acquiring and retaining customers
  - Overall performance against KPIs
- Cluster analysis identified a segment of respondents whose businesses are performing strongly across these seven indicators
  - These respondents represent 50% of the total respondent base
  - They are hereafter labeled as “Top Performers” for the purposes of comparing their Total Rewards strategies and tactics to their standard-performing counterparts



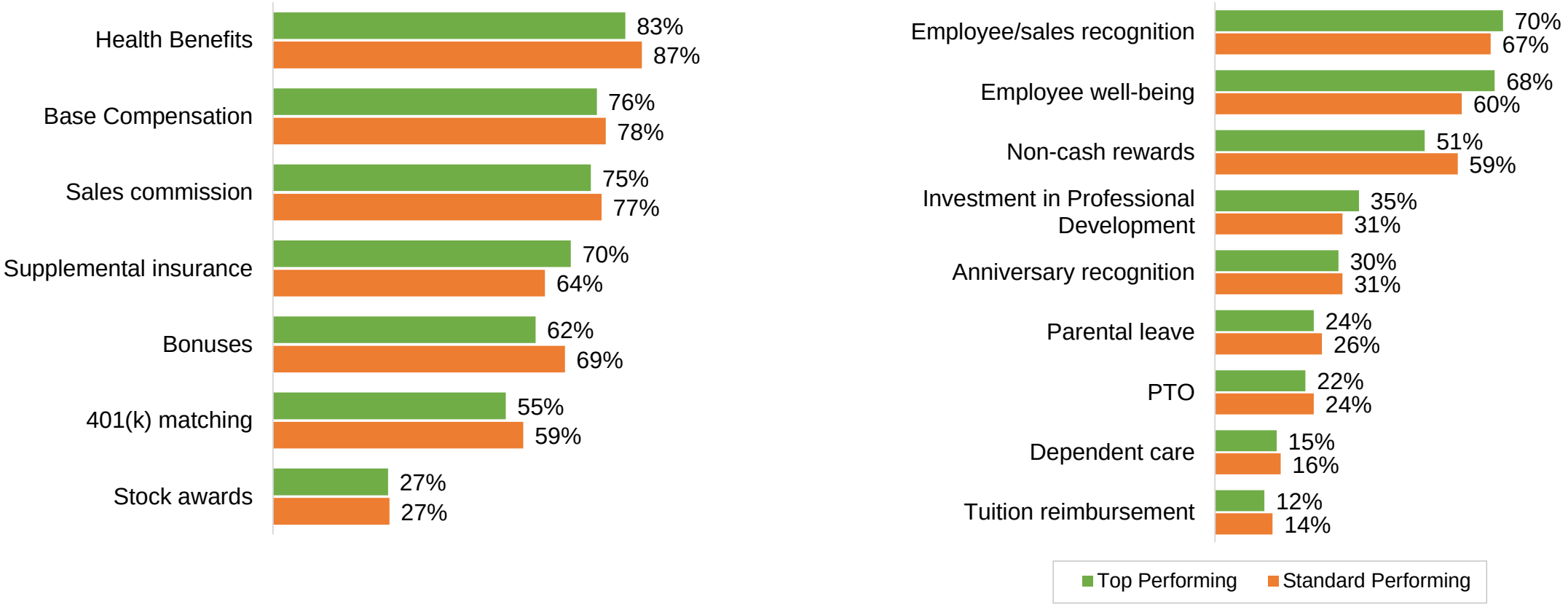
Seven performance questions distinguish “top-performing companies”

Identifying Top-Performing Companies



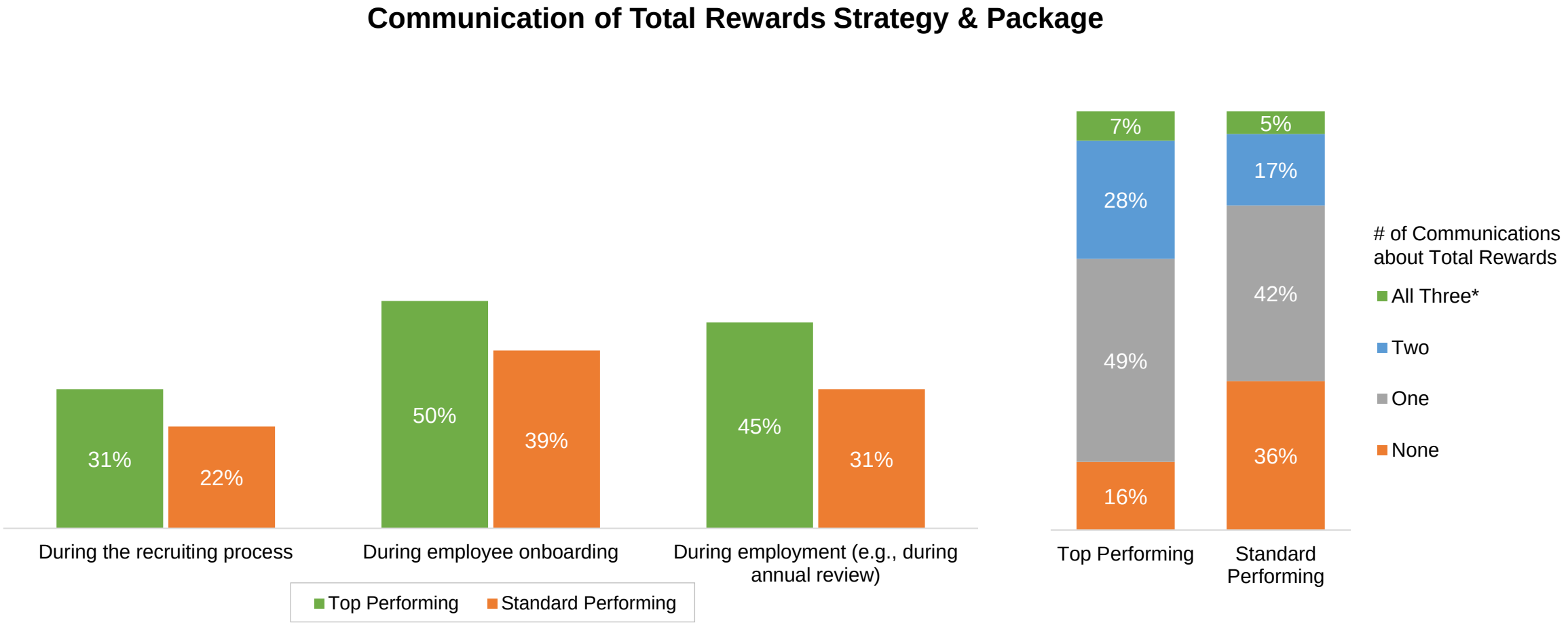
The individual components of Total Rewards packages are similar for Top and Standard performing companies

Total Rewards Mix



Q10: Which of the elements below is part of your total benefits package for your employees? Please select all that apply.

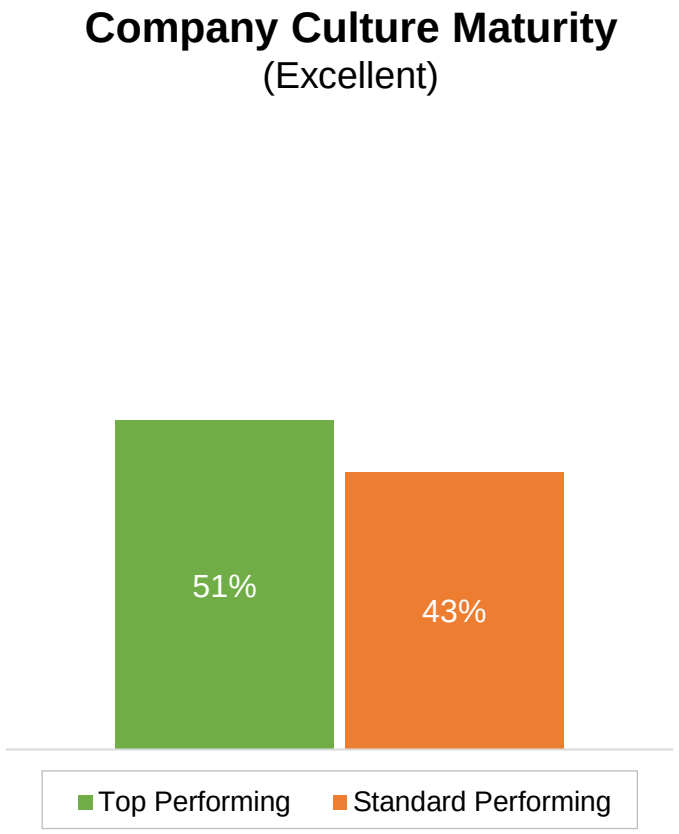
Top-Performing companies more consistently communicate the total rewards package to employees

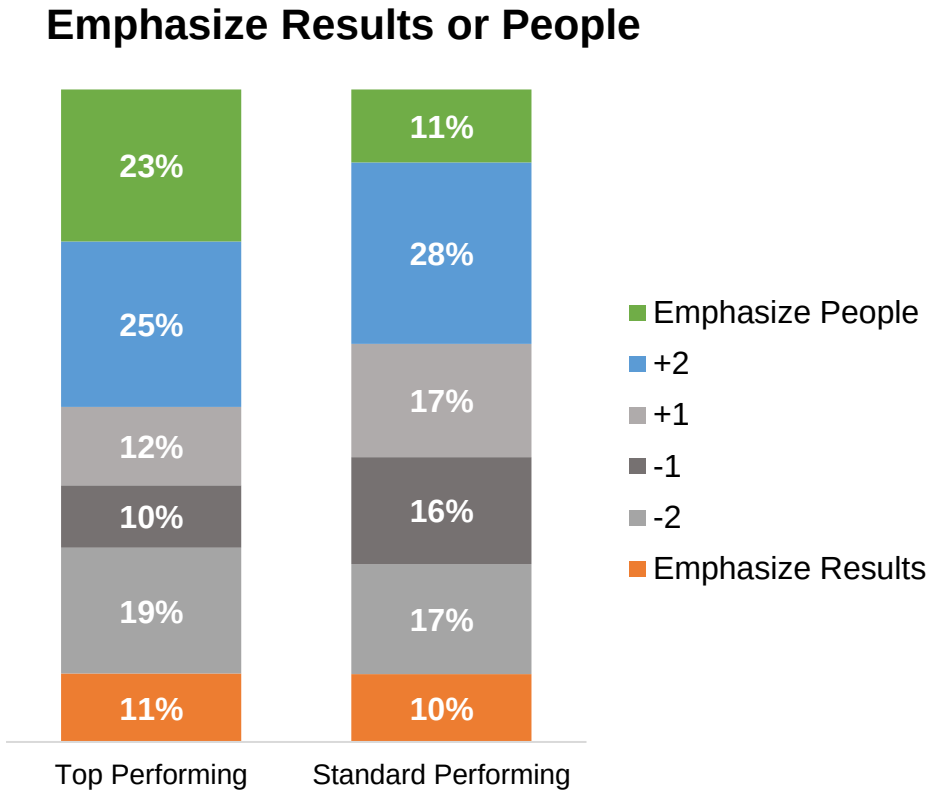


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

A more mature company culture is more common among Top Performers, who place a heavier emphasis on their people

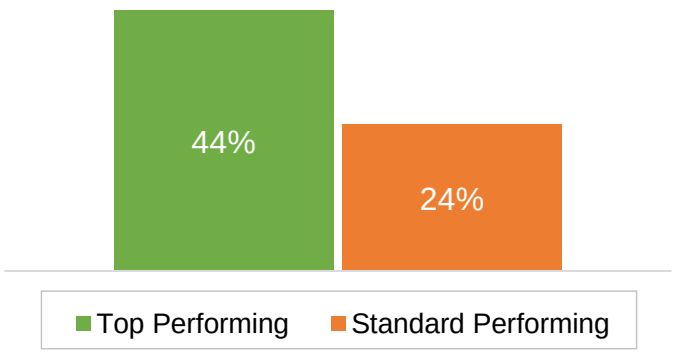




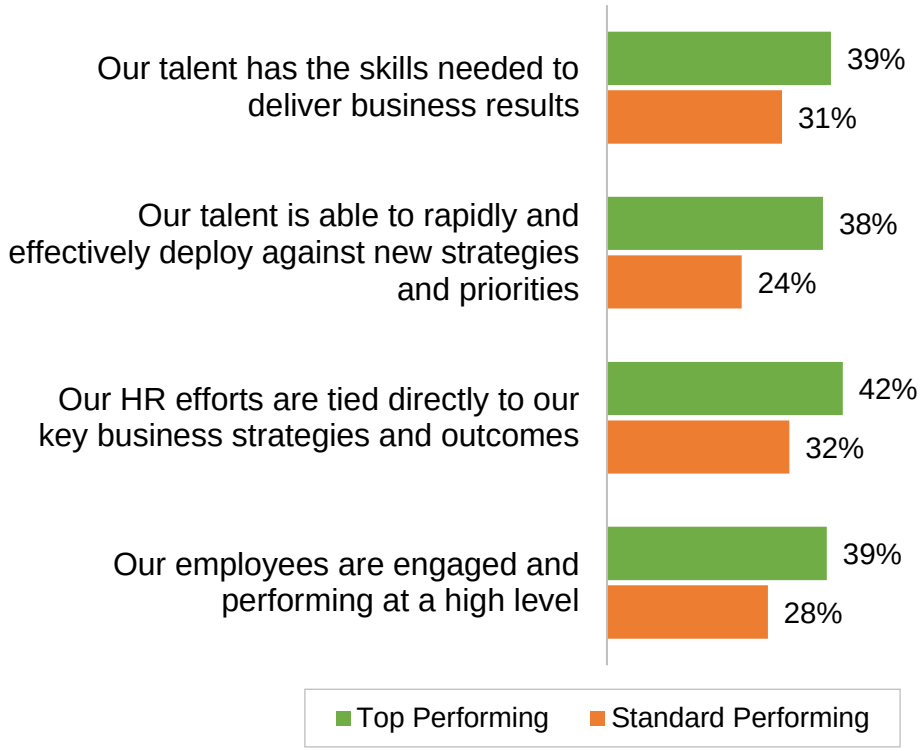
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Similarly, Top Performers have a more mature talent strategy and assess talent readiness and engagement more positively

Talent Strategy Maturity
(Excellent)



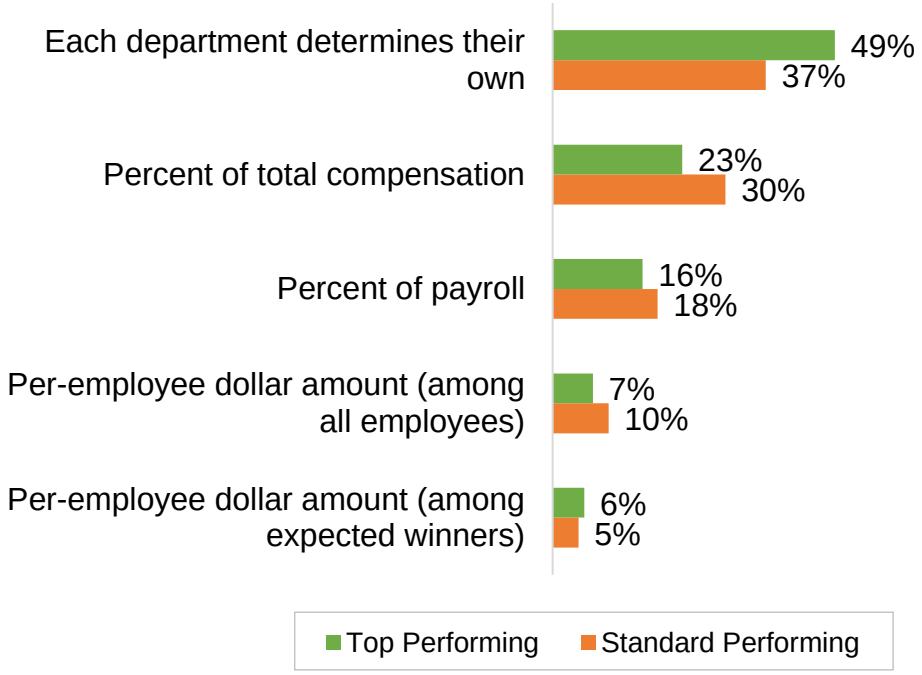
Talent Readiness by Segment



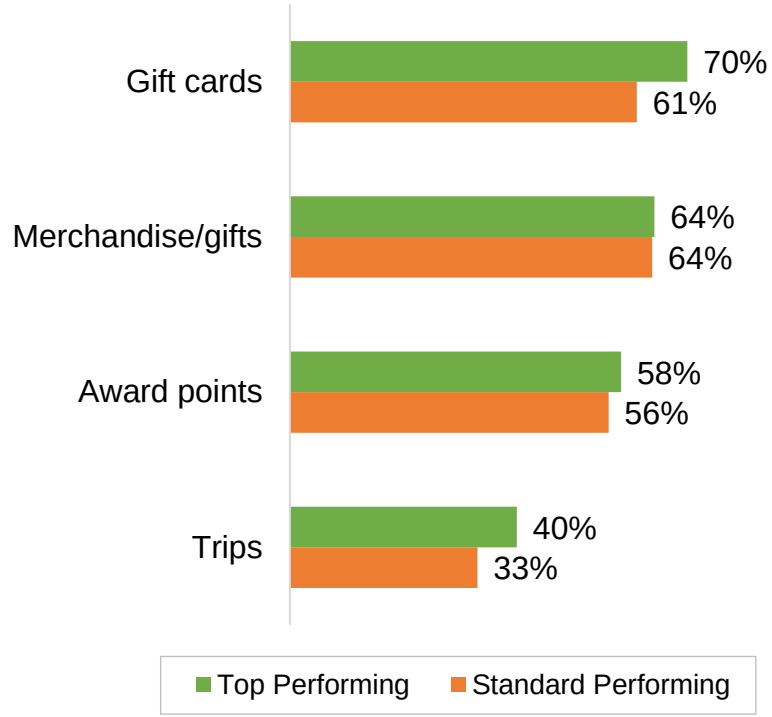
Q8: For each of the following, please indicate how well the statement describes your organization. (Top Box Rating, 5-point scale)
Q9r1: Talent Strategy - Please provide your assessment of your organization's current level of maturity on the following items.

Top Performers allow each department to budget for non-cash rewards and are more likely than others to use gift cards and trips

Budgeting Approach for Non-Cash Rewards
(Among all employees)



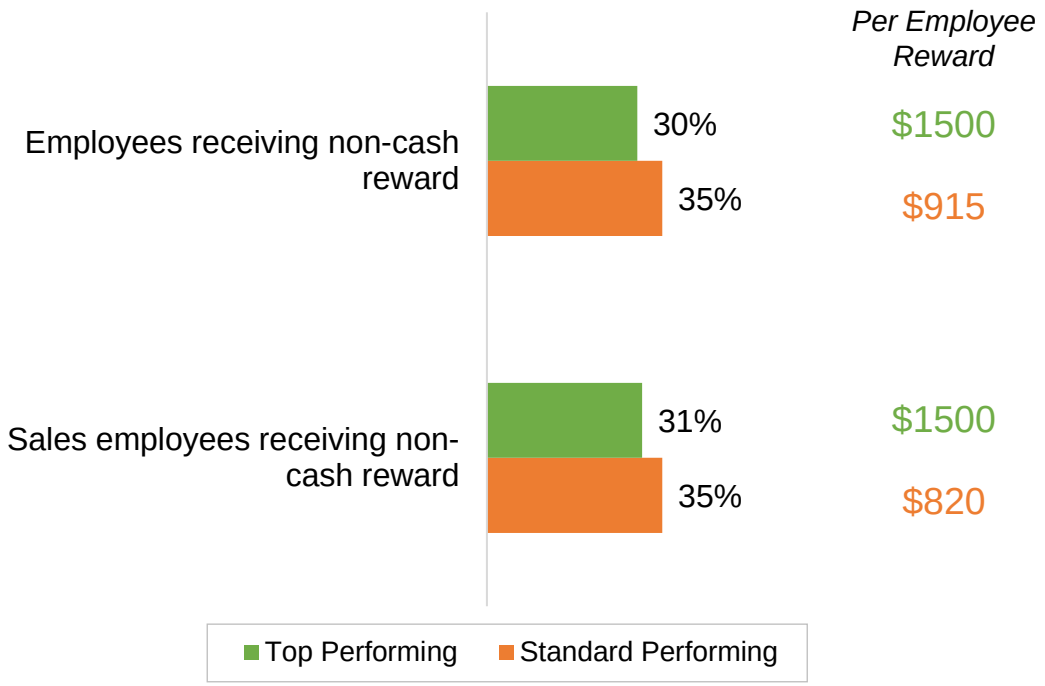
Non-Cash Rewards Used
(Among all employees)



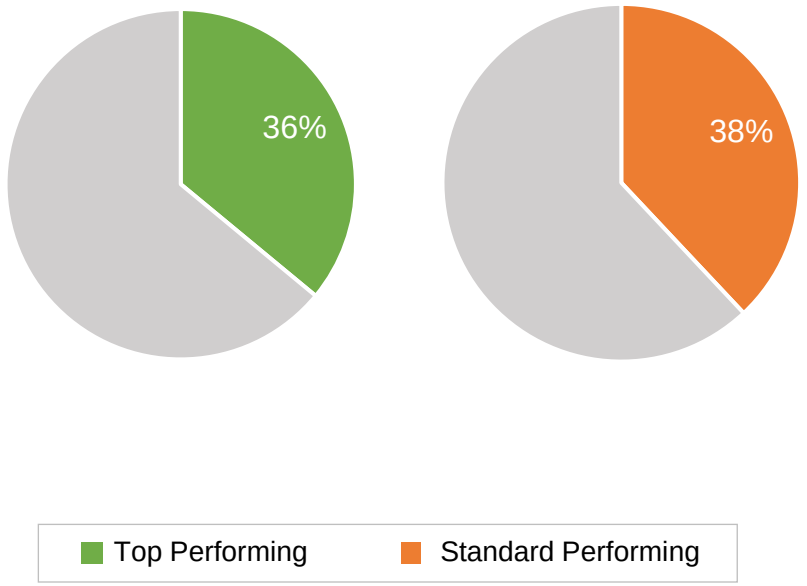
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Top Performers reward fewer employees, but with richer rewards, and use about the same allocated budget as others

Non-Cash Reward Allocation



Percent of Annual Non-Cash Rewards Budget Used



Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Total Rewards Best Practices

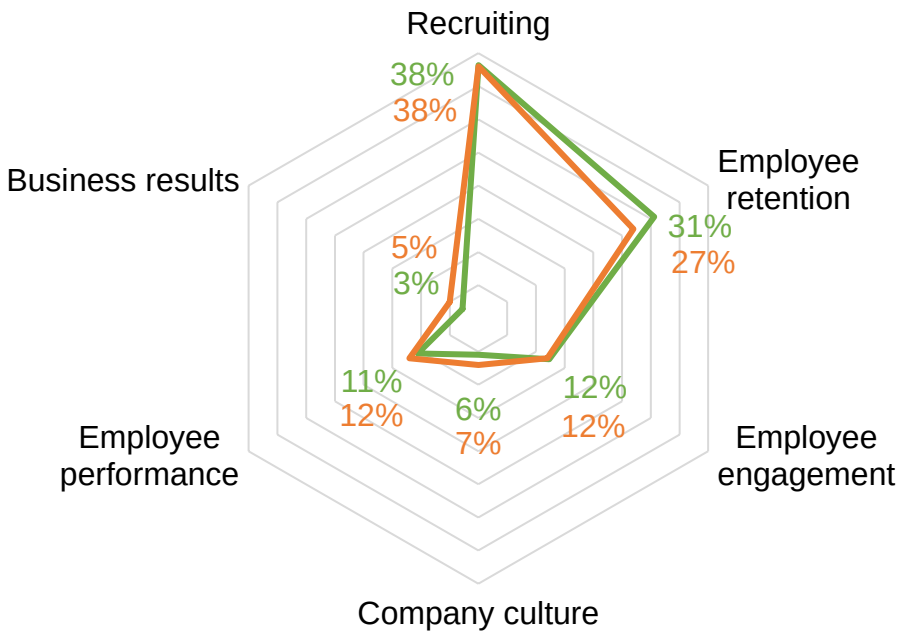
1. Consistent communication about Total Rewards in recruiting, onboarding, annual reviews
2. Foster a culture that emphasizes people
3. Target rewards to reinforce behaviors that drive business outcomes in a mature Talent Strategy

Primary Impact of Total Rewards Components

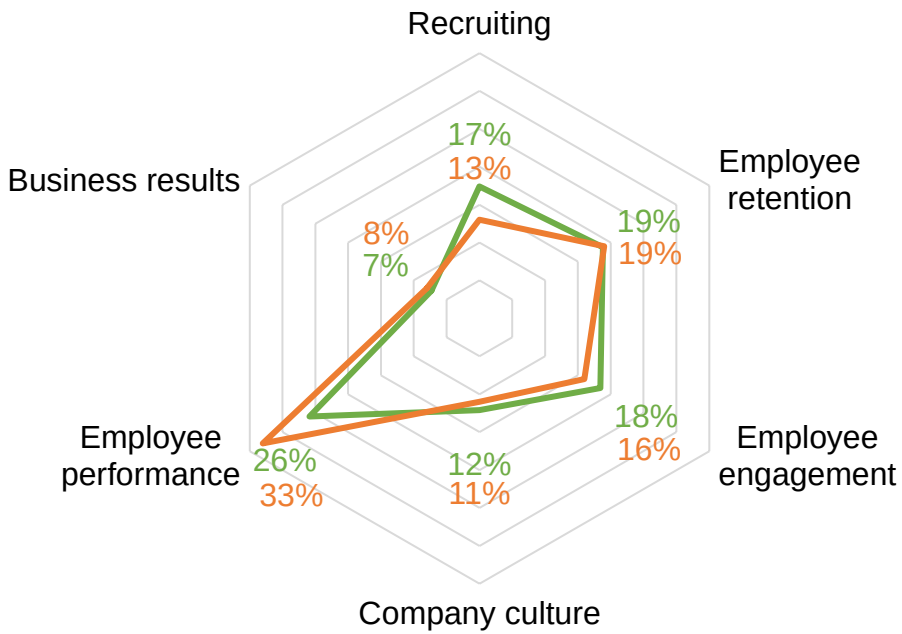
	Base compensation	Variable compensation	Other benefits	Non-cash rewards and recognition
Recruiting	✓			
Employee Retention	✓		✓	
Company Culture			✓	
Employee Performance		✓		✓
Business Results				✓

Base compensation is crucial for recruiting and retention, while variable compensation is used to impact employee performance

Base Compensation & Wages Impact



Variable Compensation Impact

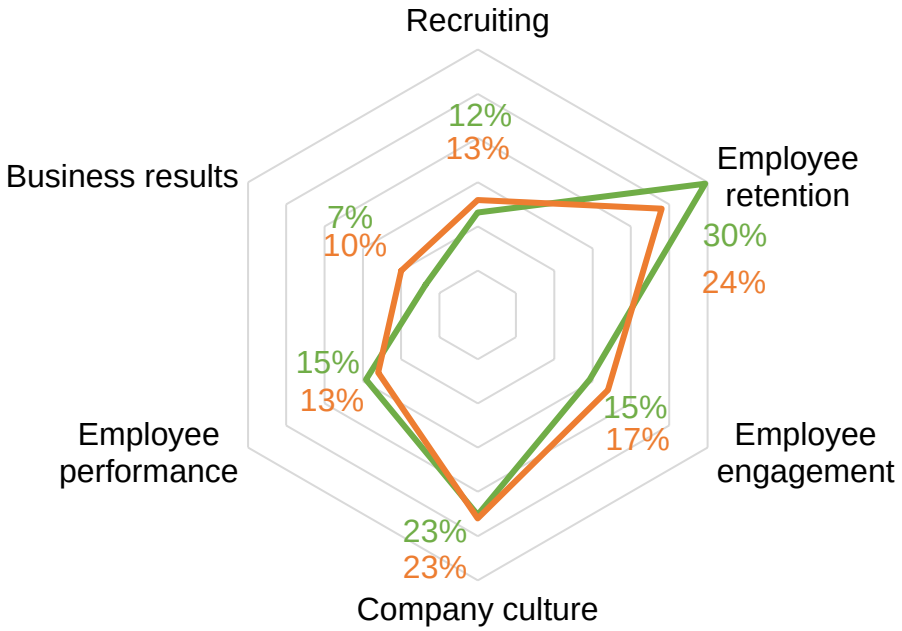


Top Performing Standard Performing

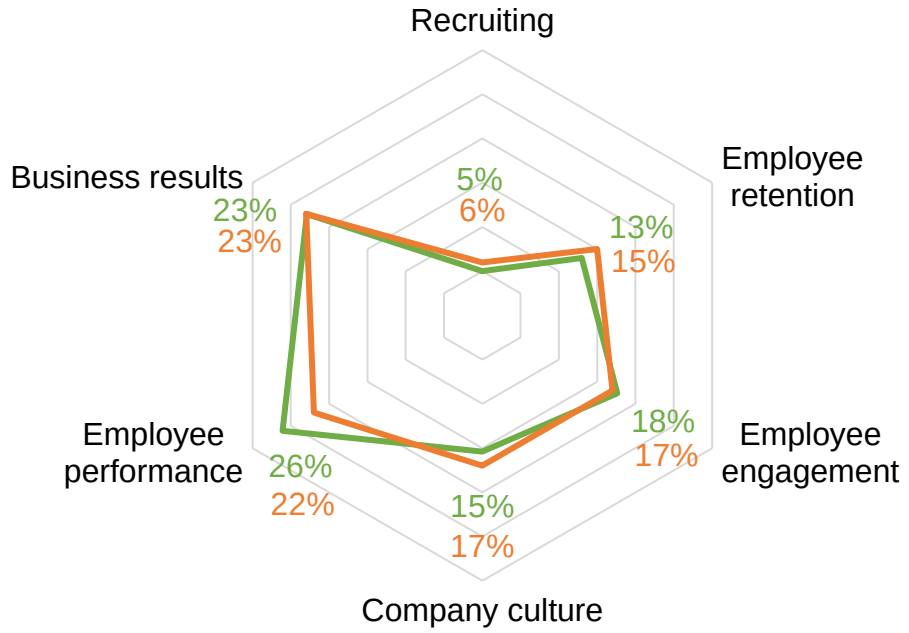
Q19: At your organization, which business outcome is most impacted by each listed aspect of the total reward strategy?

Benefits impact retention and culture, while non-cash rewards drive performance and results

Other Benefits (Health Insurance, PTO, Wellbeing, etc.) Impact



Non-cash Rewards & Recognition Impact



Top Performing Standard Performing

Q19: At your organization, which business outcome is most impacted by each listed aspect of the total reward strategy?

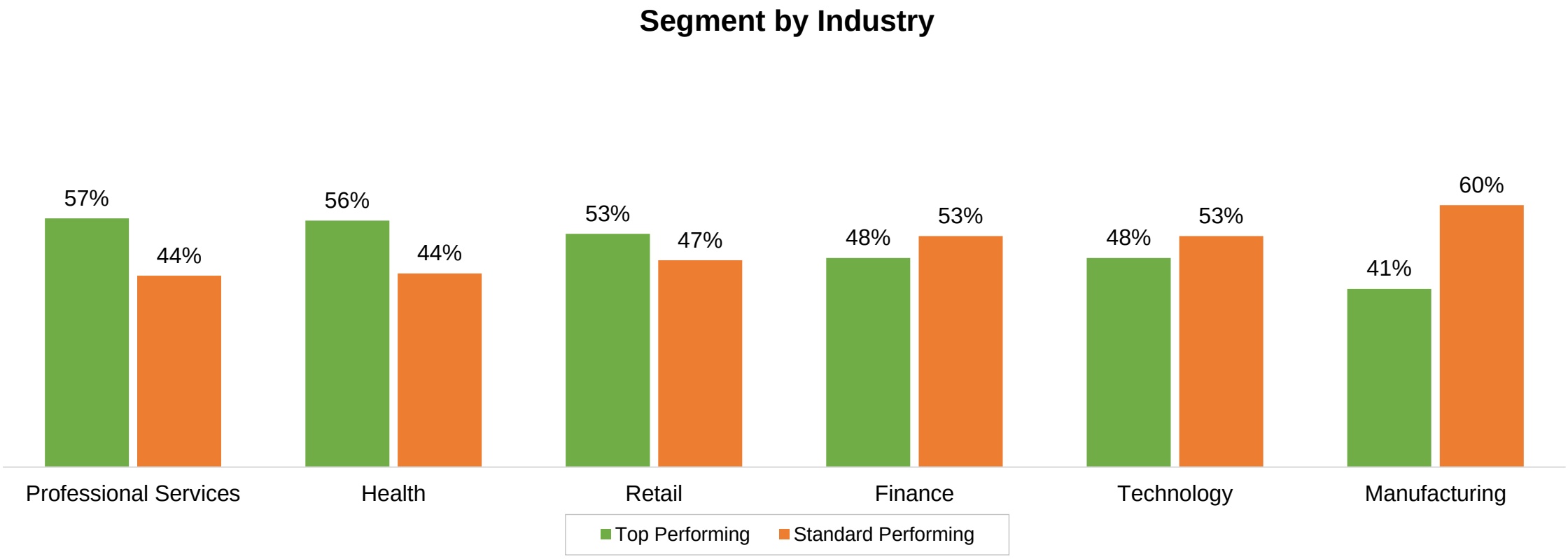
Incentive Research Foundation

Thank you

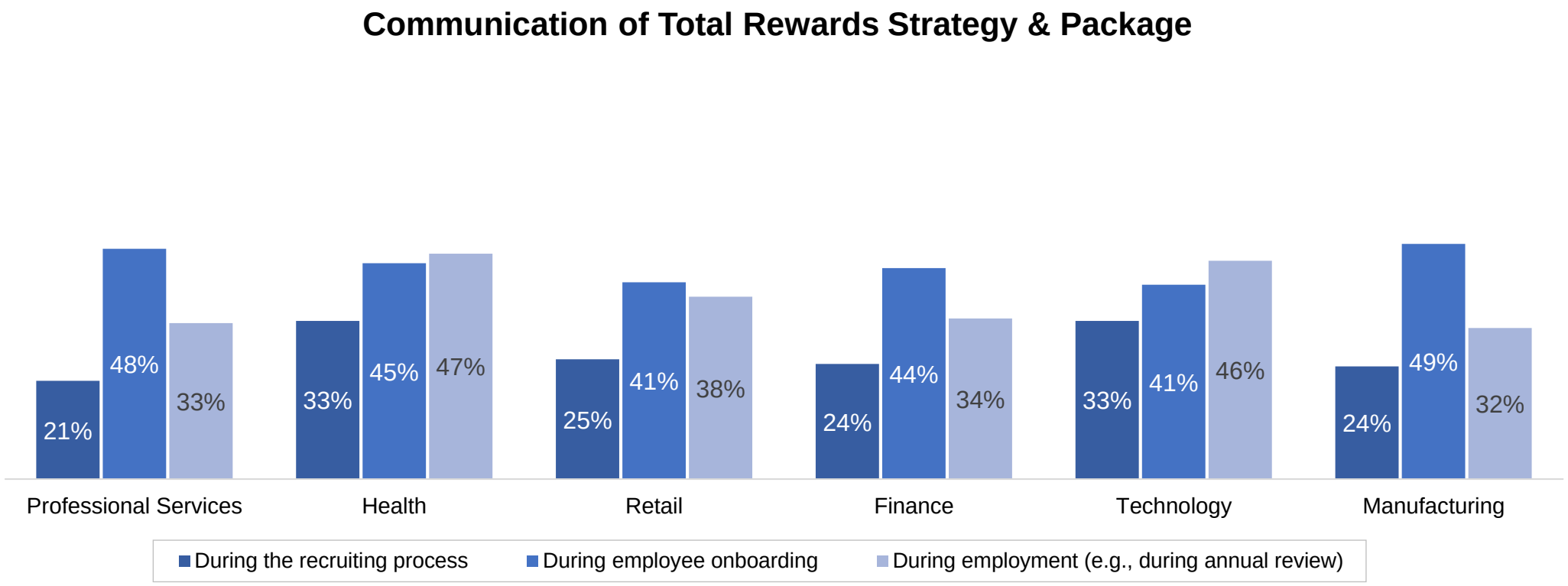
Incentive Research Foundation

Total Rewards by Industry

Manufacturing has the smallest proportion of Top Performers while Health and Professional Services companies are strong

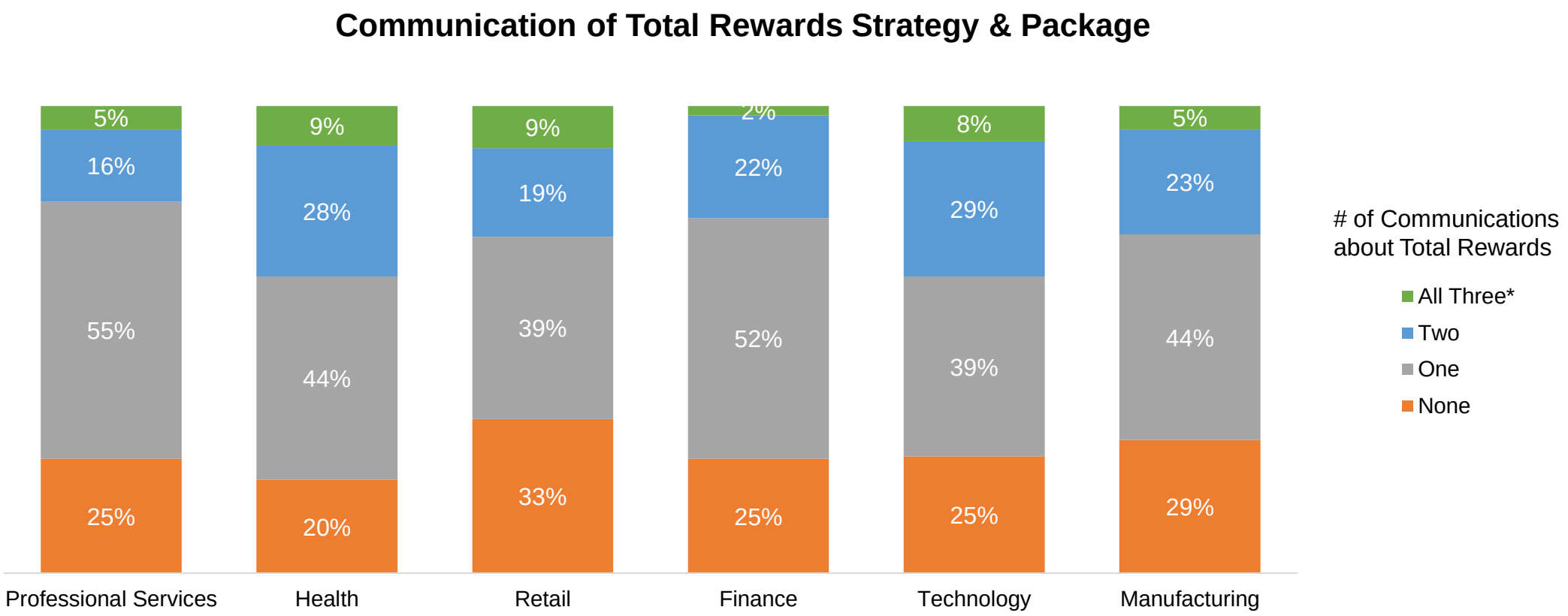


Most industries communicate Total Rewards during employee onboarding, Health and Technology companies also communicate during recruiting and annual reviews



Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

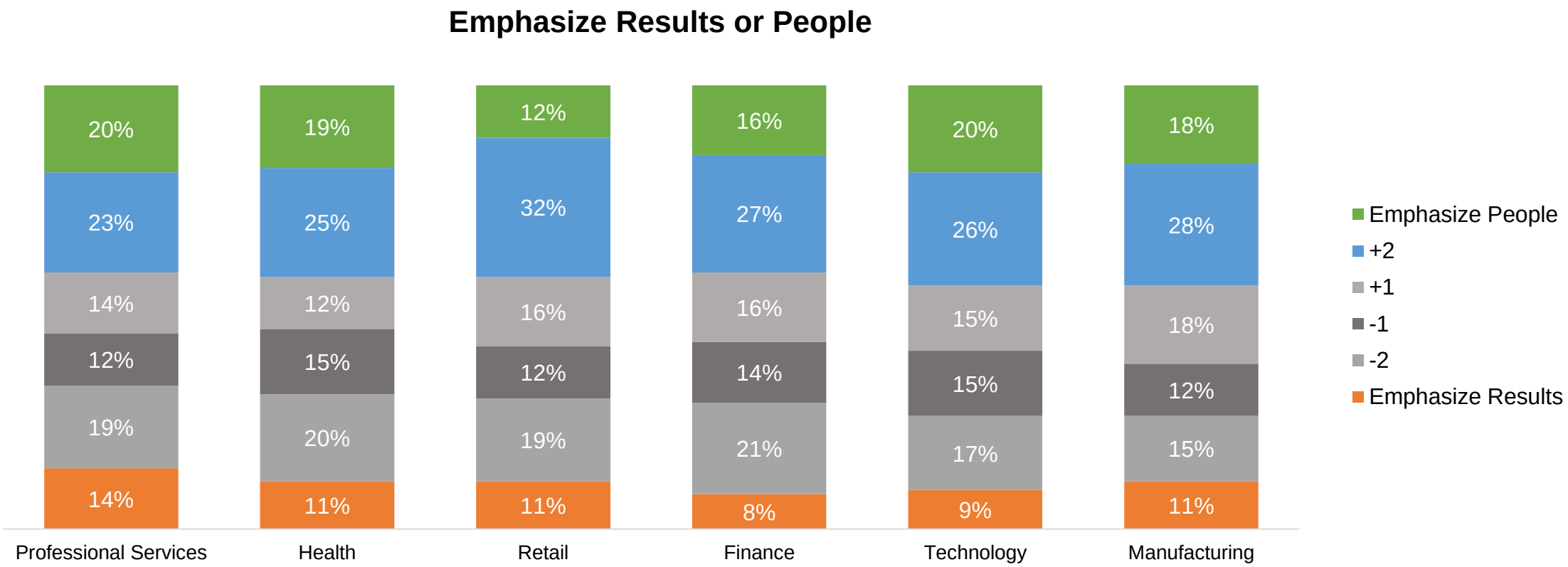
Communication about Total Rewards to employees is more frequent in the Health and Technology industries



Q11: How would you describe your communication of the total rewards package to your employees? (Top Box Rating: This describes my organization well)

* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

A people-centered culture is generally shared across industries, although companies in the Retail industry emphasize people to a lesser degree than the others



Q7: For each of the following, please indicate your best assessment of where your organization falls.

The Finance industry is more likely to use base compensation to recruit; Finance and Retail use variable compensation to impact performance

Base Compensation & Wages Impact

Variable Compensation Impact

Q19: At your organization, which business outcome is most impacted by each listed aspect of the total reward strategy?

Industries vary in how they use non-cash rewards, some use them to impact results, others use them to impact performance

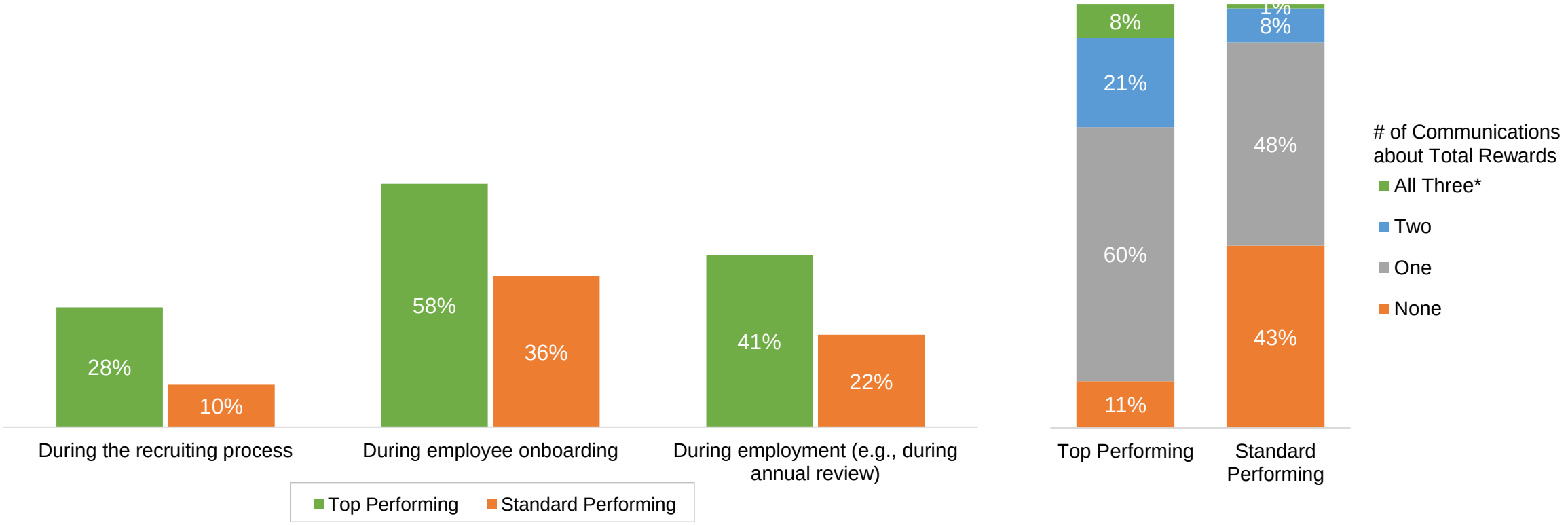
Other Benefits (Health Insurance, PTO, Wellbeing, etc.) Impact

Non-cash Rewards & Recognition Impact

Q19: At your organization, which business outcome is most impacted by each listed aspect of the total reward strategy?

Professional Services Industry

Communication of Total Rewards Strategy & Package

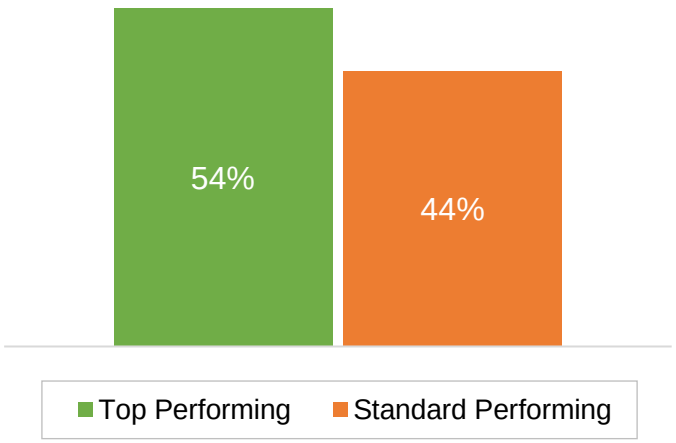


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

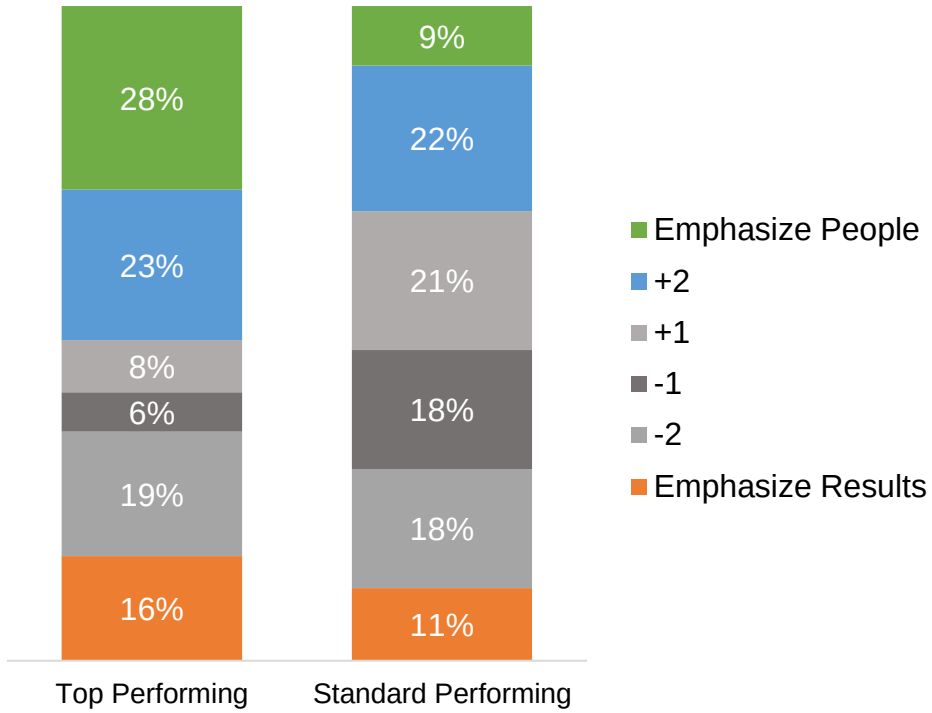
* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Professional Services Industry

Company Culture Maturity
(Excellent)



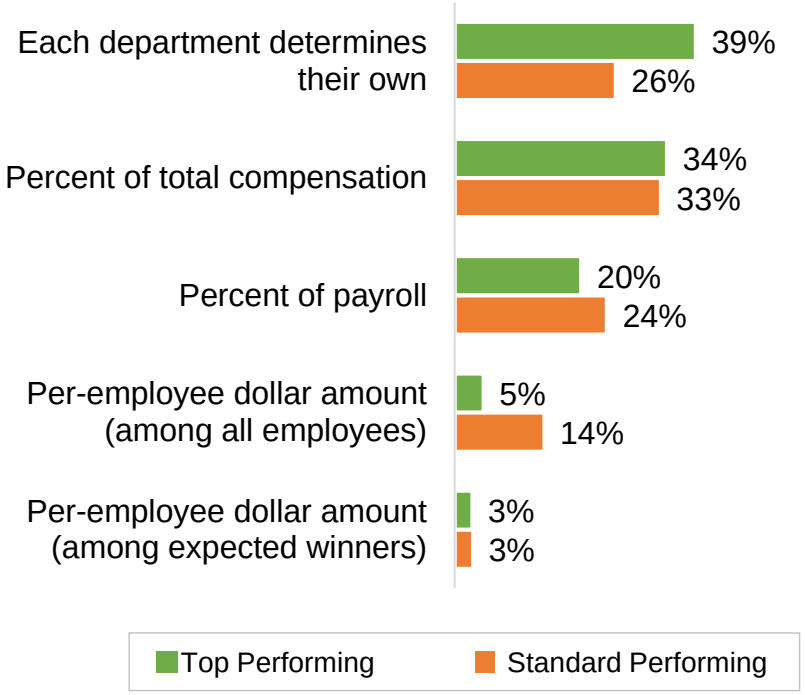
Emphasize Results or People



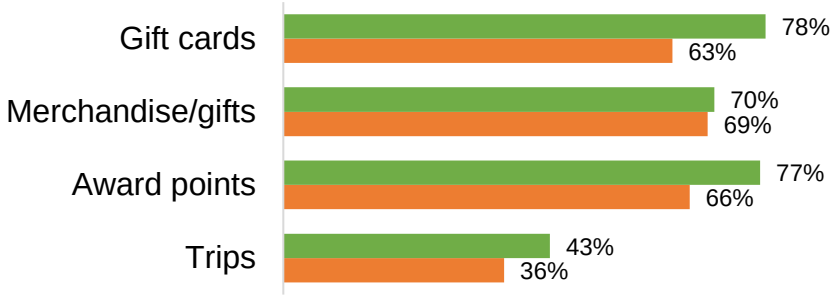
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Professional Services Industry

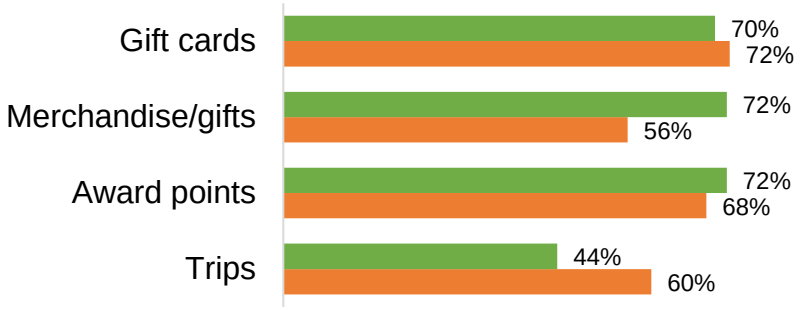
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



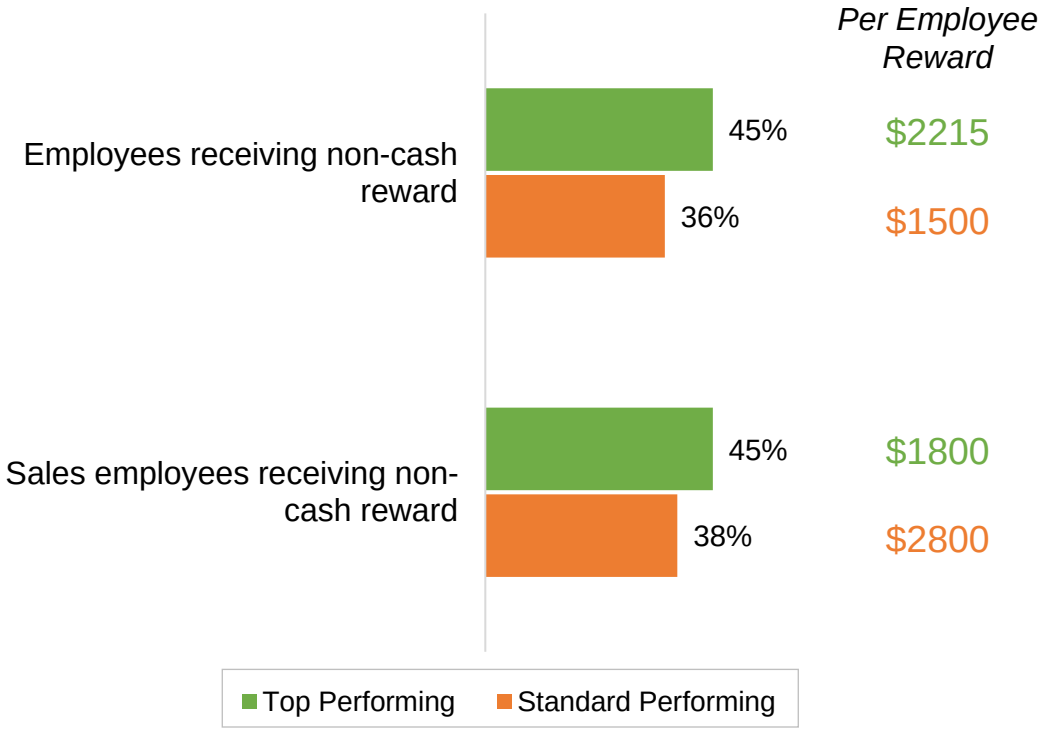
Sales Employees: Non-Cash Rewards Used by Segment



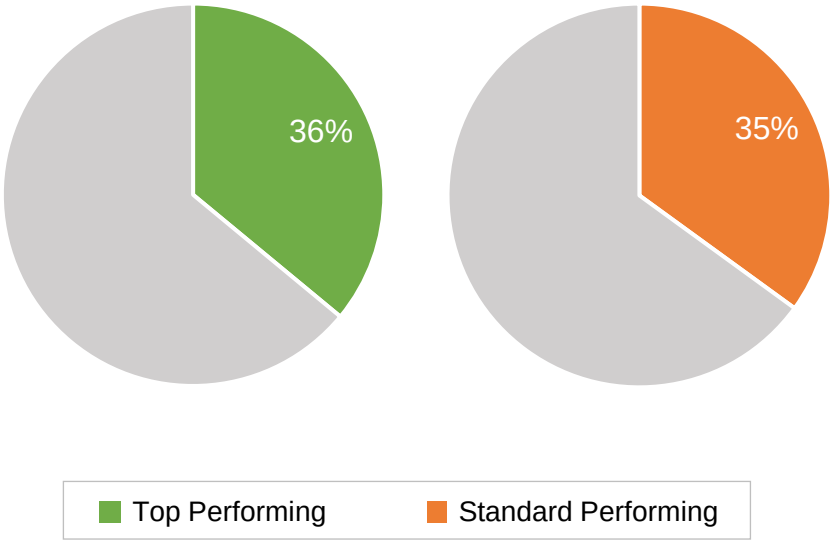
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Professional Services Industry

Non-Cash Reward Allocation



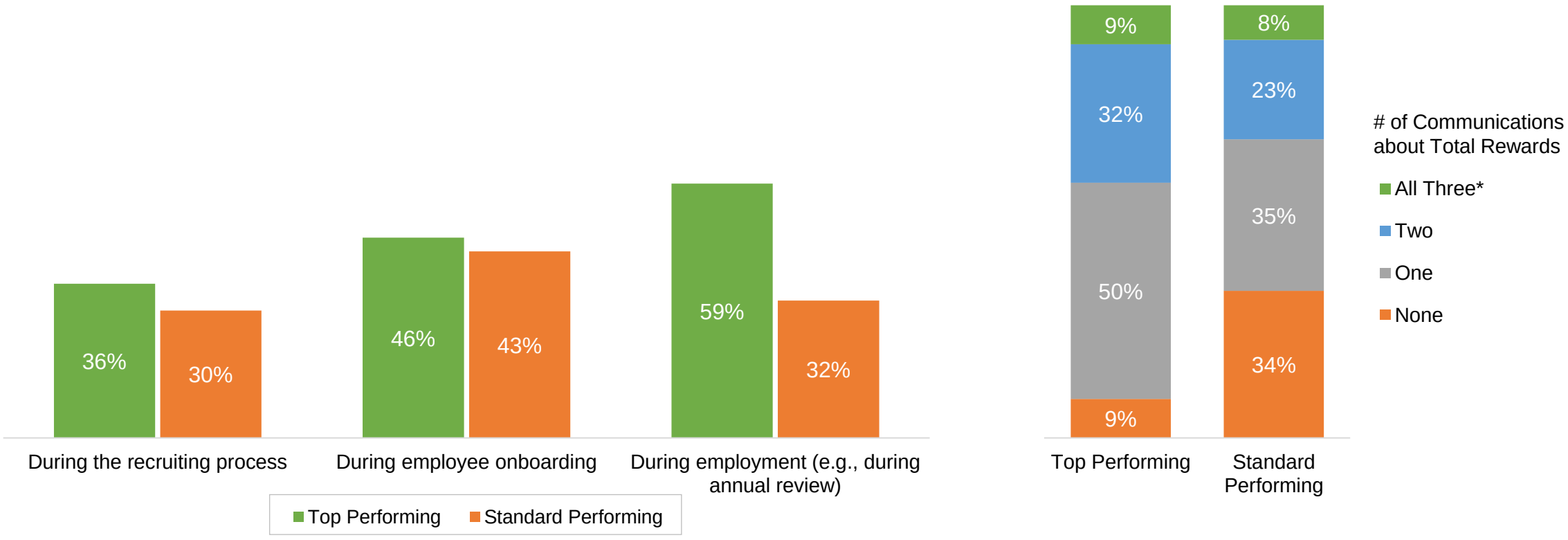
Percent of Annual Non-Cash Rewards Budget Used



Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Health Industry

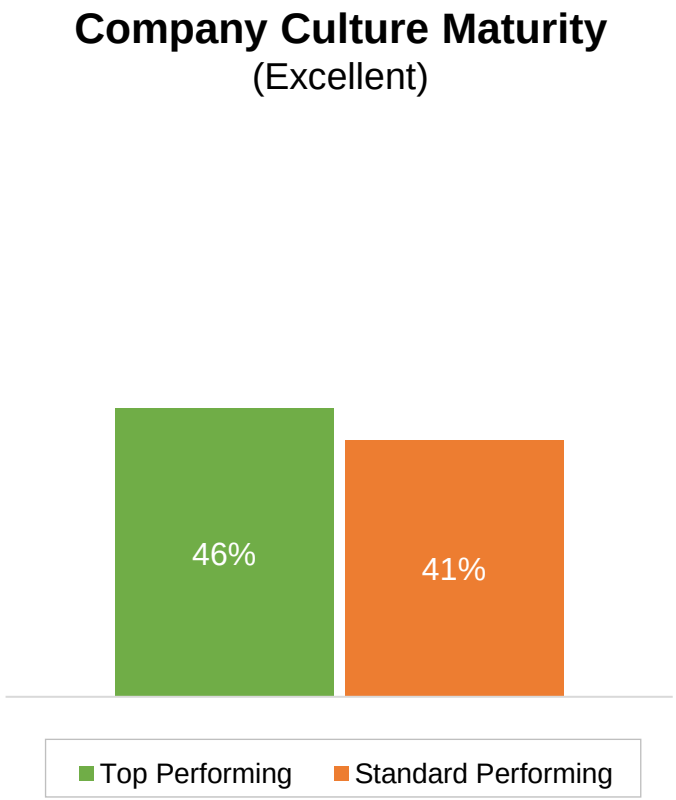
Communication of Total Rewards Strategy & Package

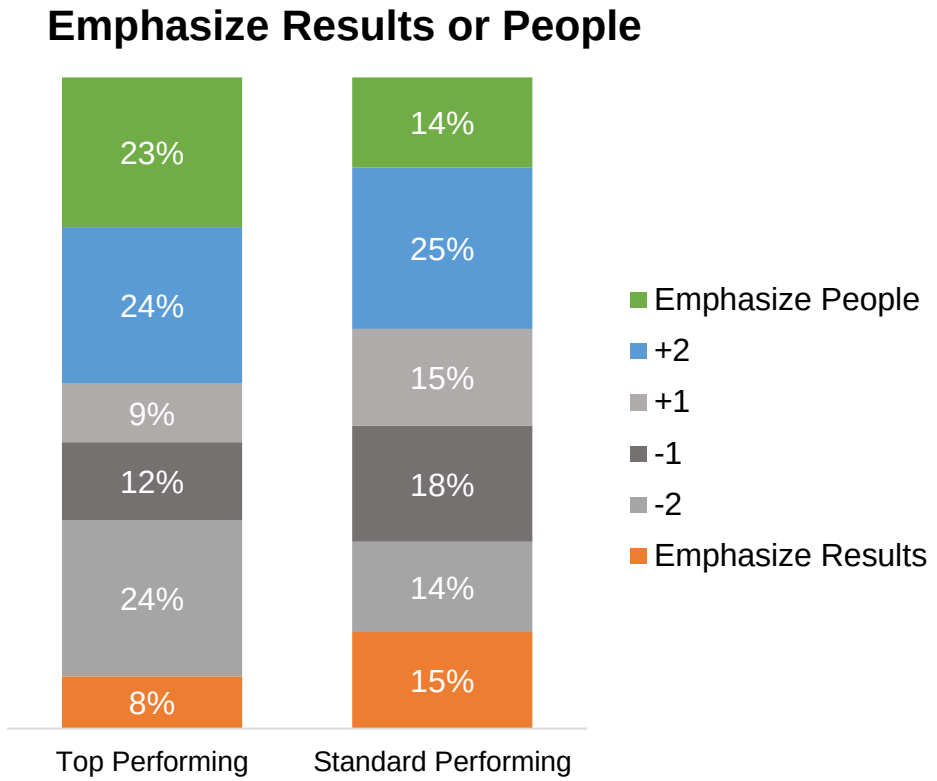


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Health Industry

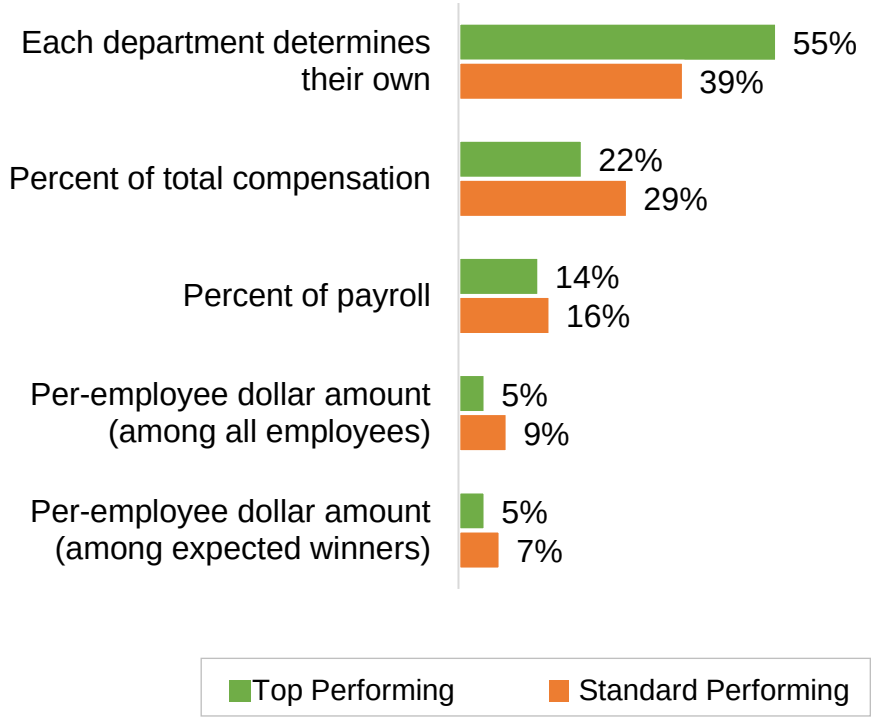




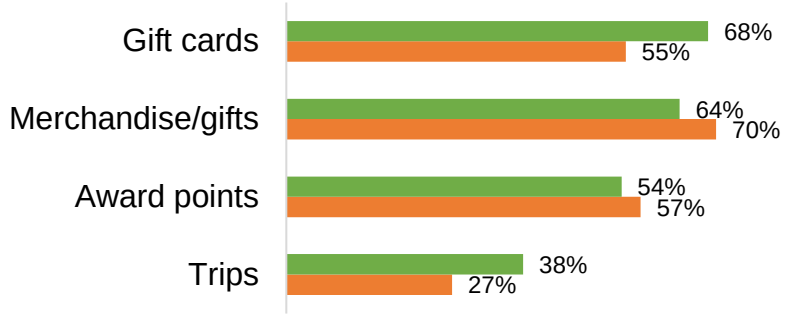
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Health Industry

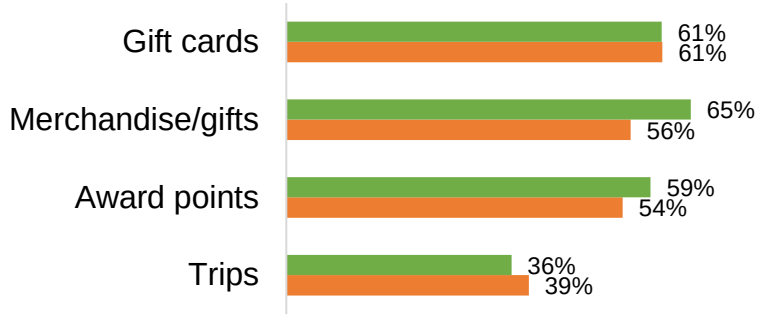
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



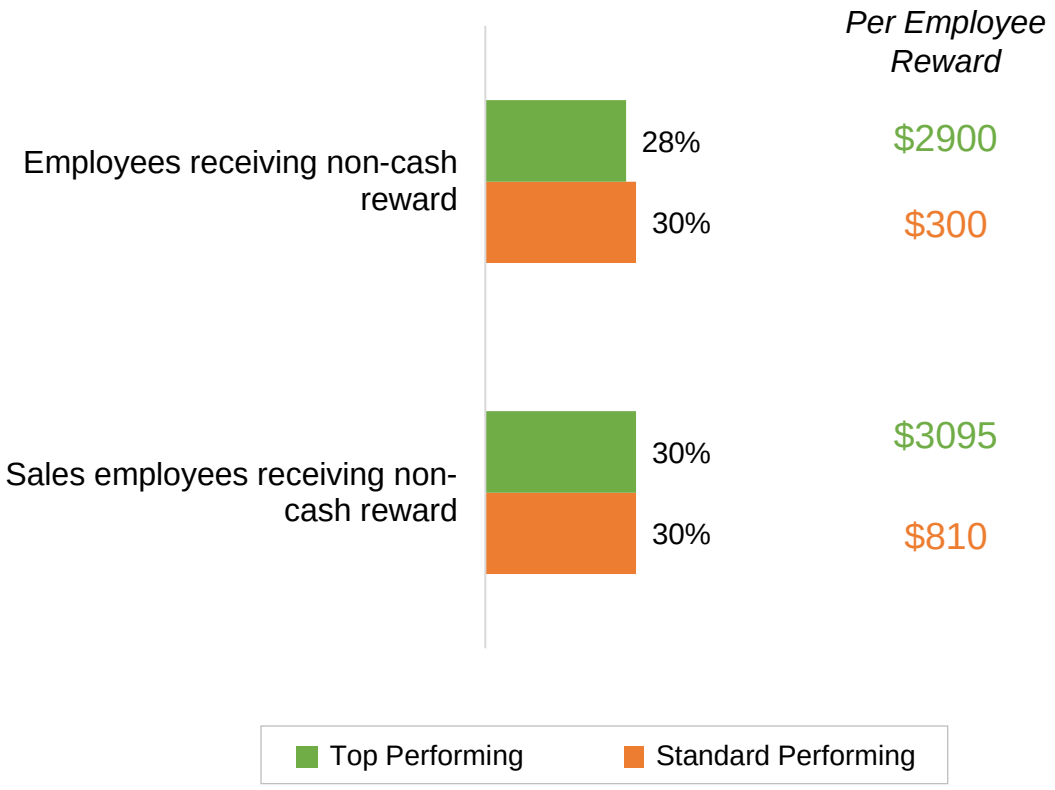
Sales Employees: Non-Cash Rewards Used by Segment



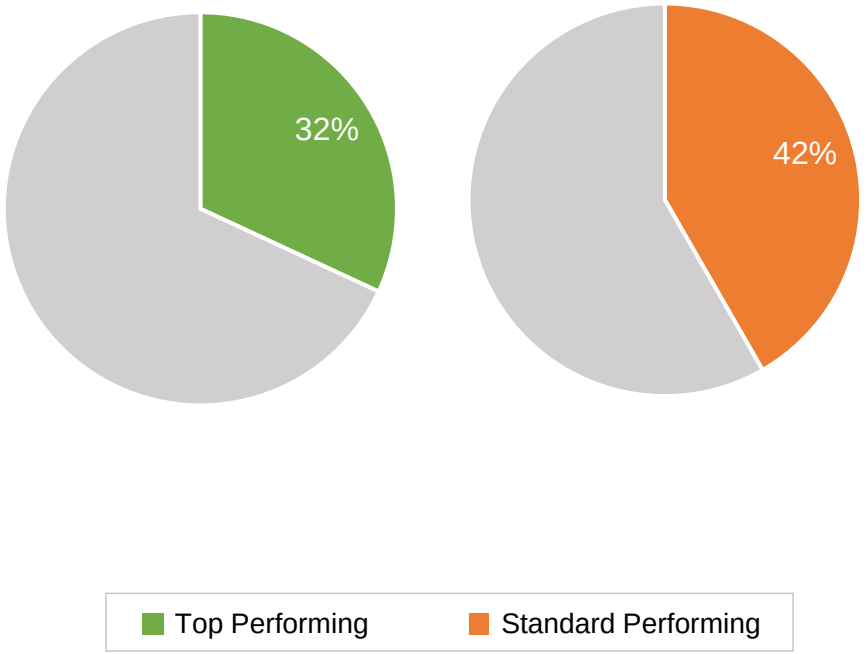
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Health Industry

Non-Cash Reward Allocation



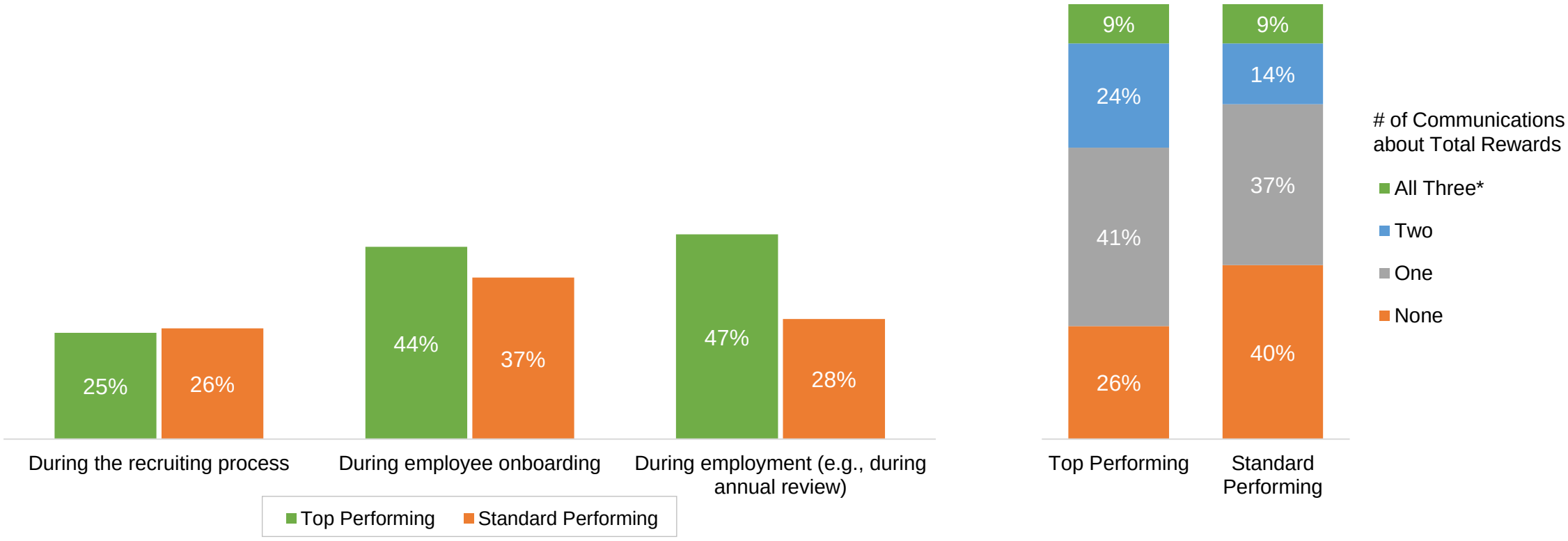
Percent of Annual Non-Cash Rewards Budget Used



Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Retail Industry

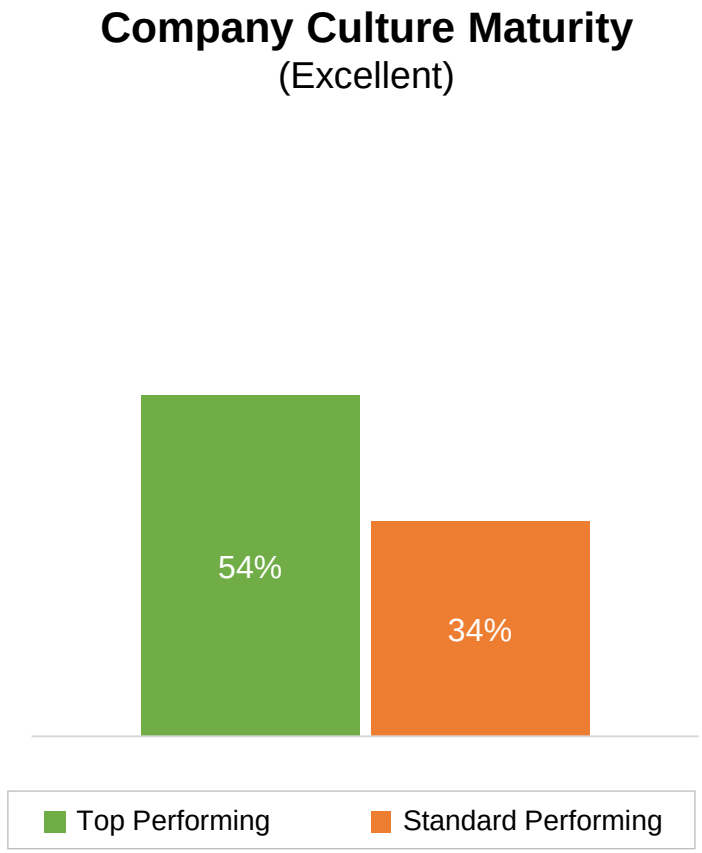
Communication of Total Rewards Strategy & Package

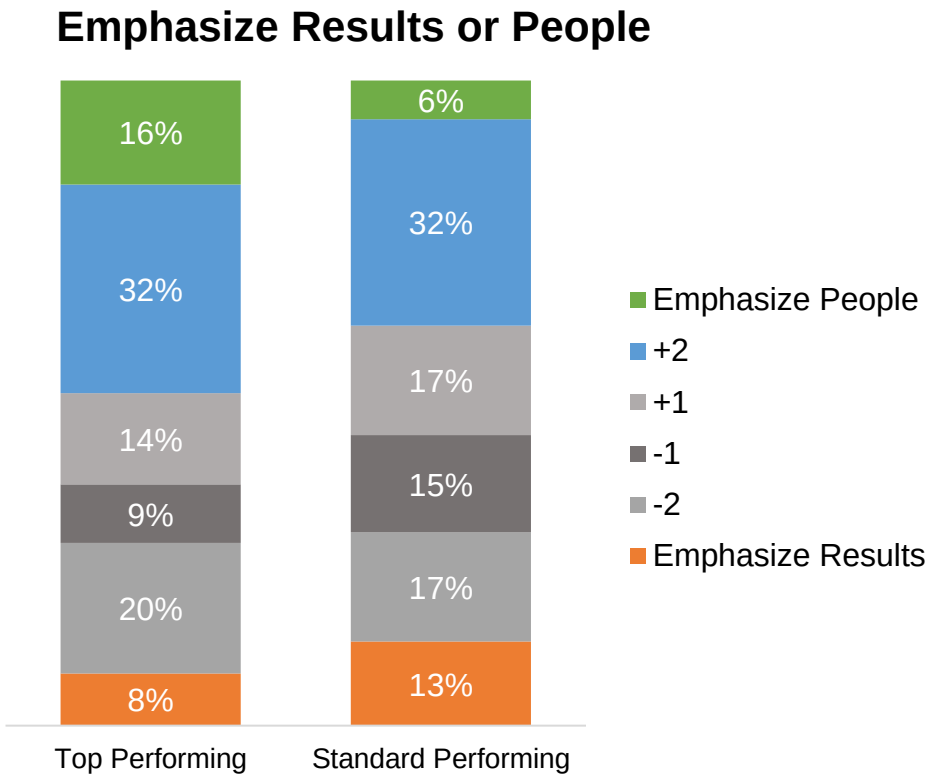


Q11: How would you describe your communication of the total rewards package to your employees? (Top Box Rating: This describes my organization well)

* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Retail Industry

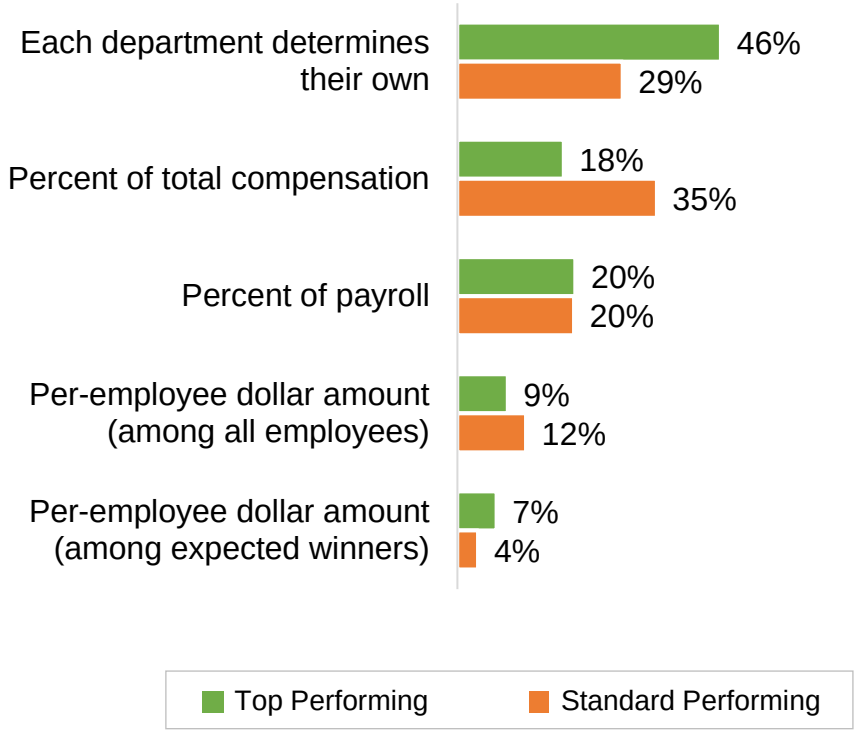




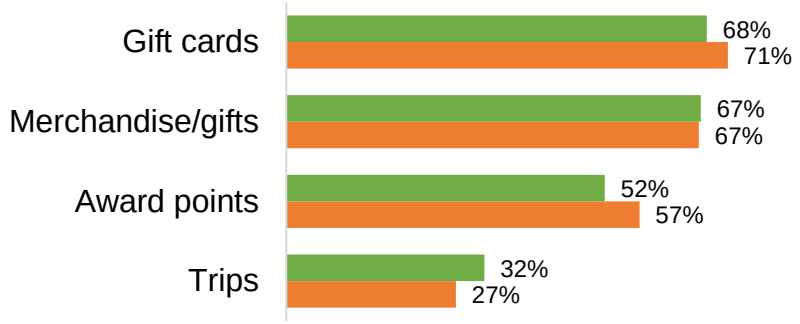
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Retail Industry

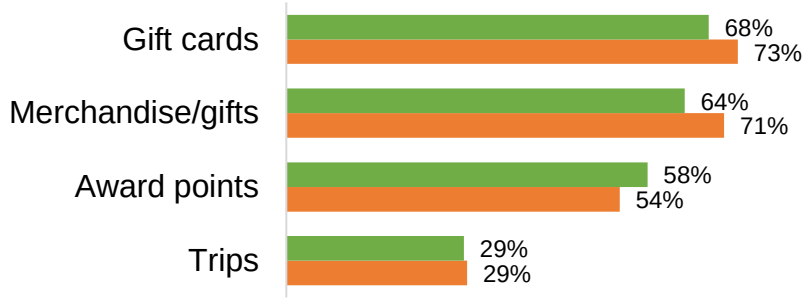
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



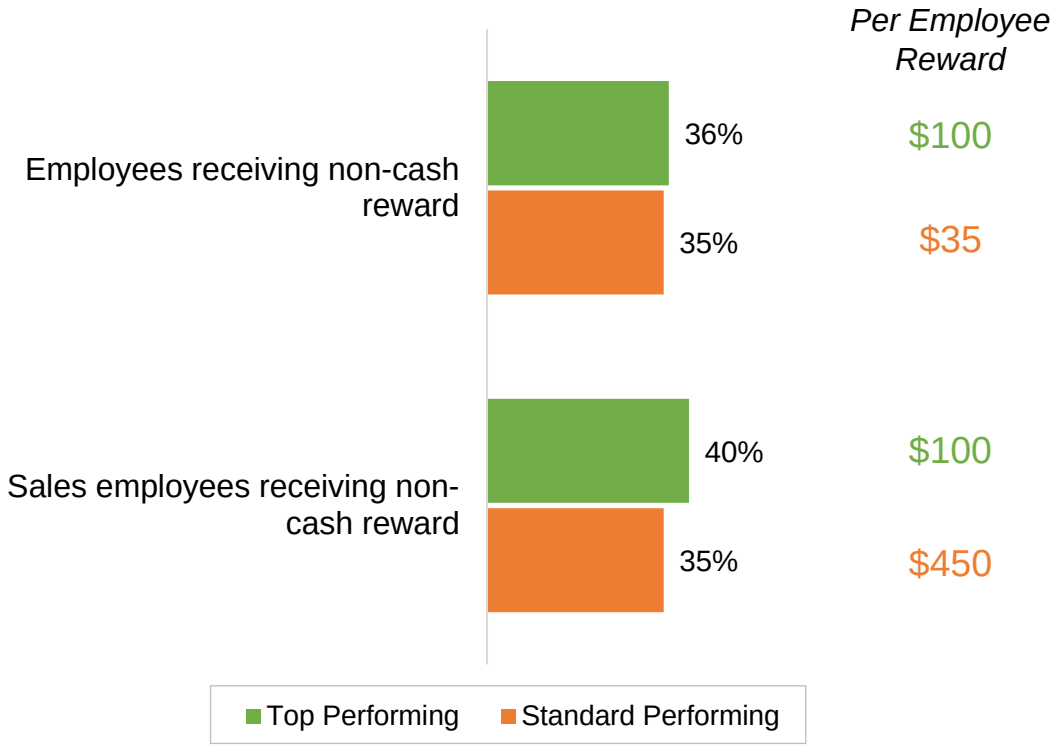
Sales Employees: Non-Cash Rewards Used by Segment



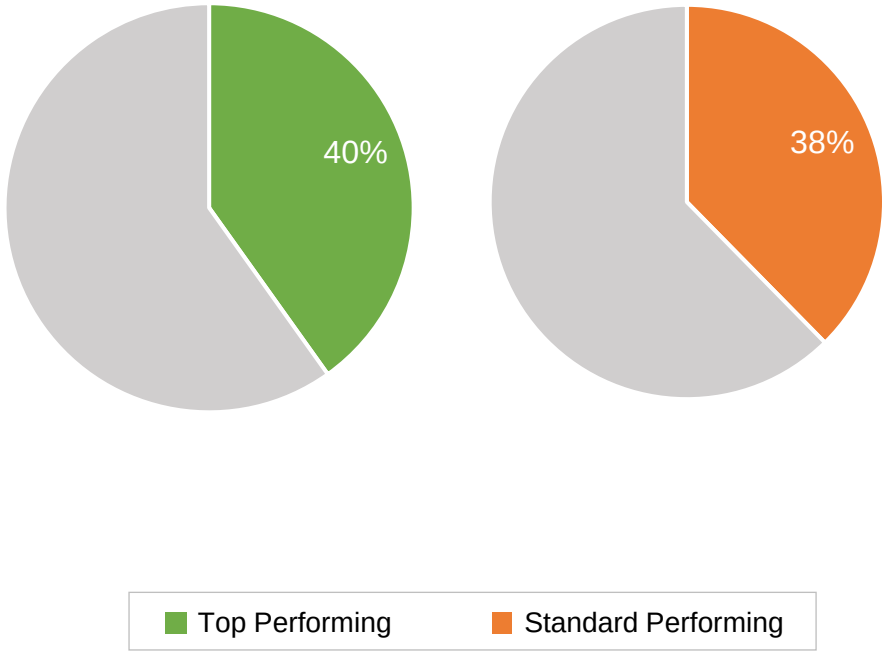
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Retail Industry

Non-Cash Reward Allocation



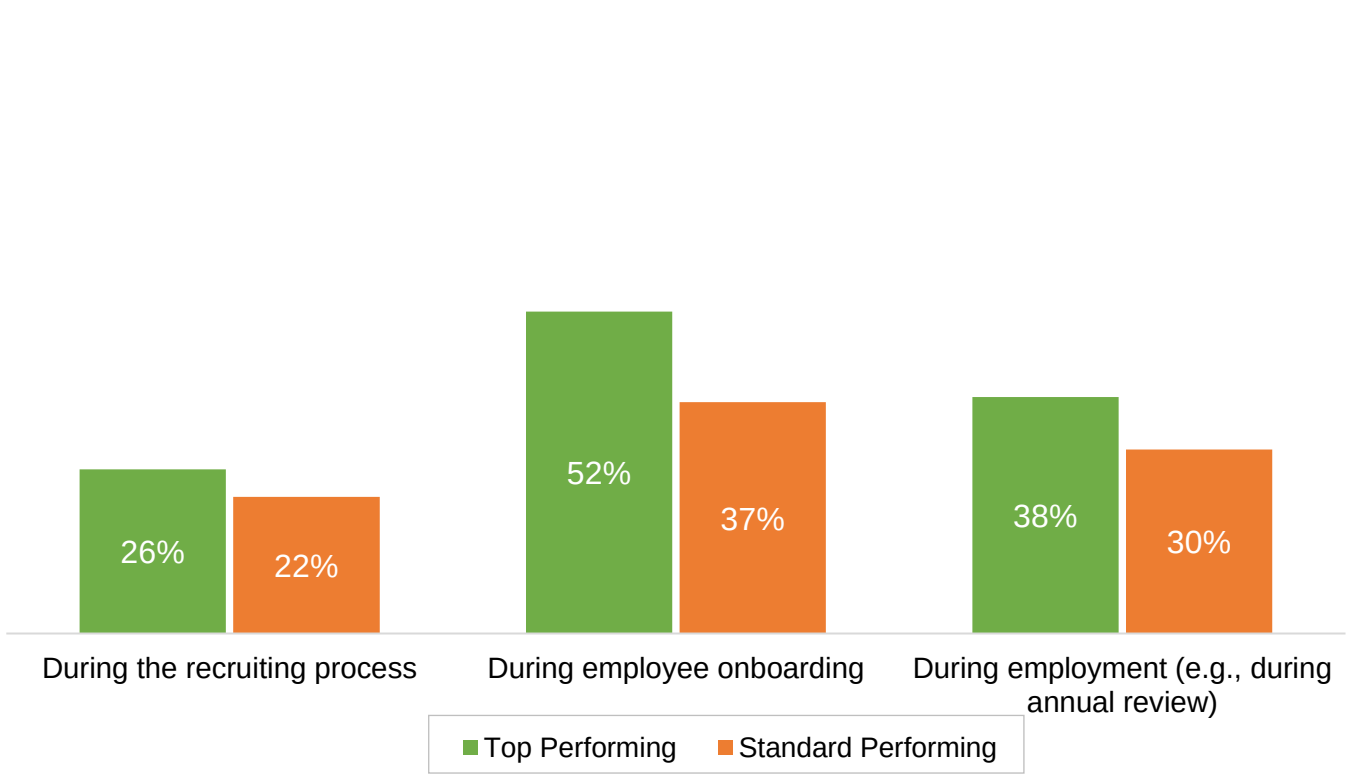
Percent of Annual Non-Cash Rewards Budget Used

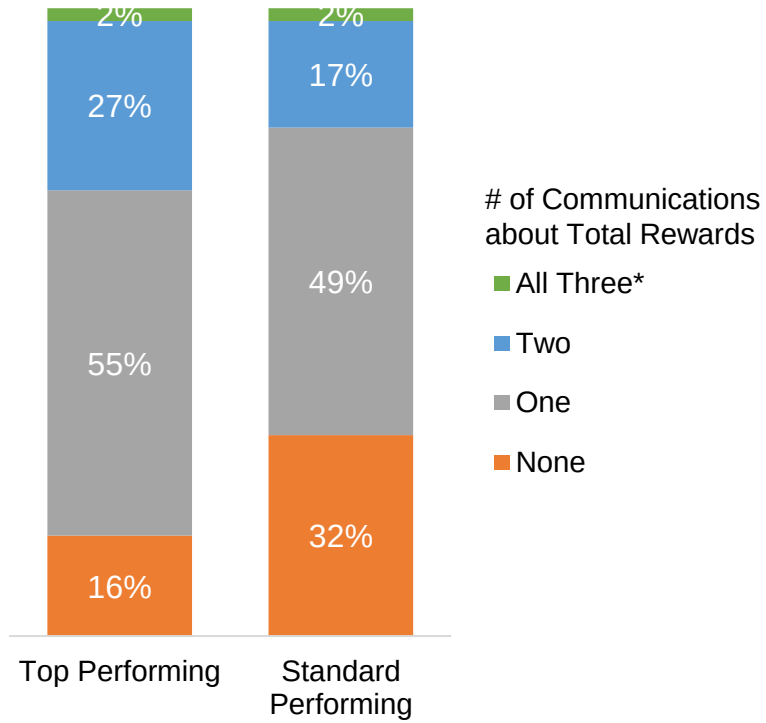


Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Finance Industry

Communication of Total Rewards Strategy & Package



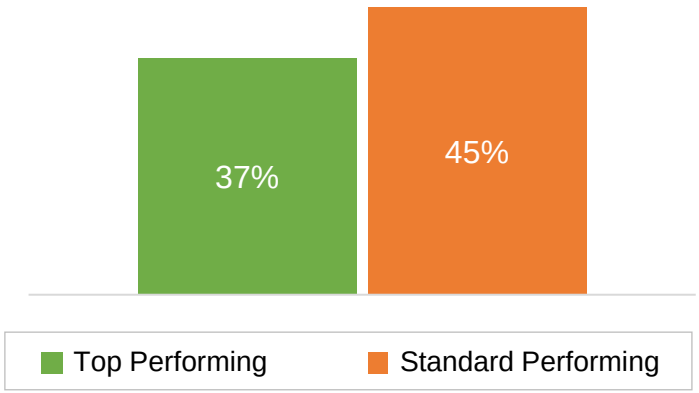


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

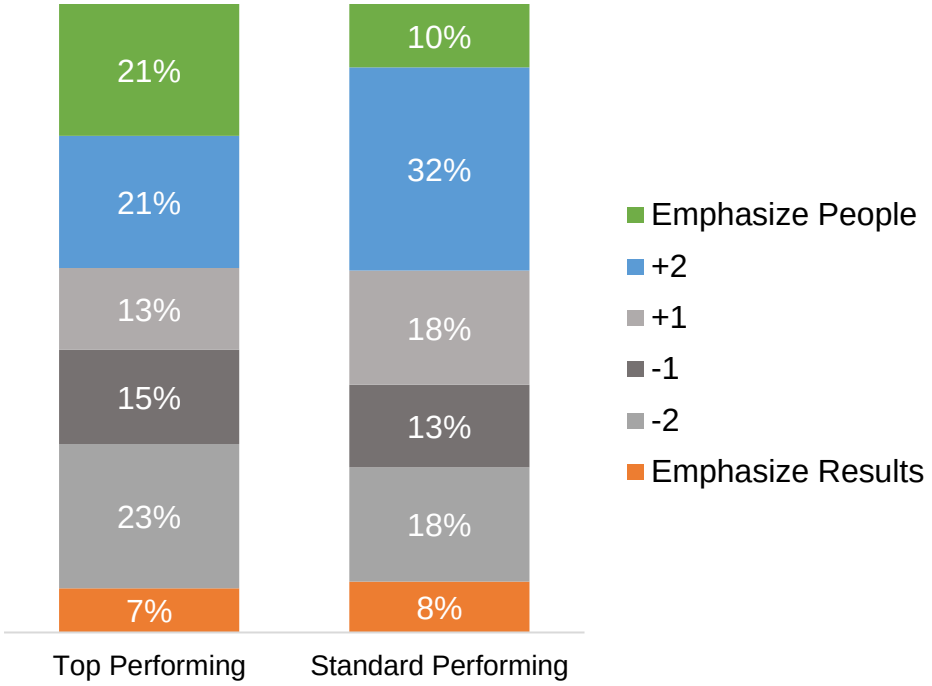
* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Finance Industry

Company Culture Maturity
(Excellent)



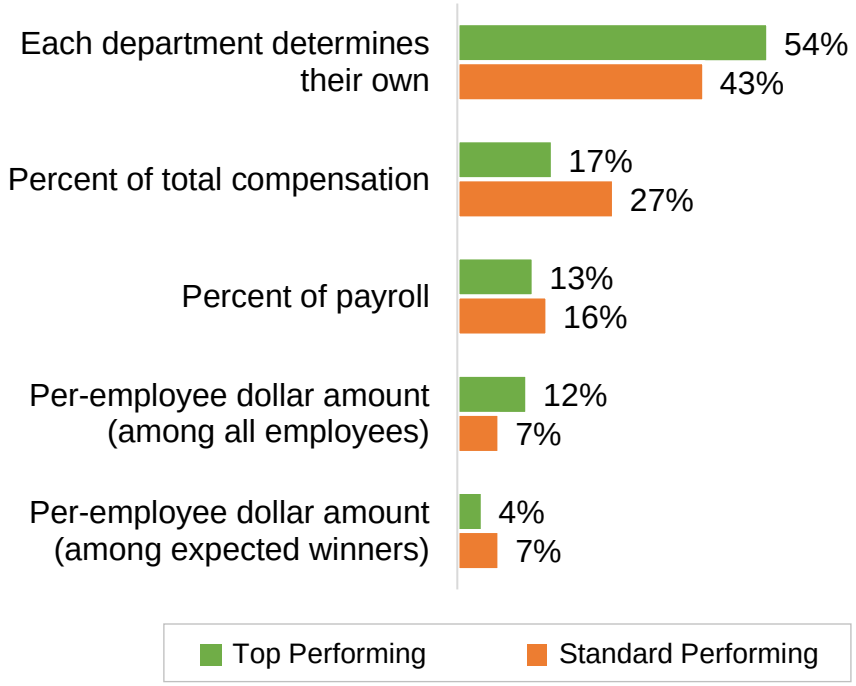
Emphasize Results or People



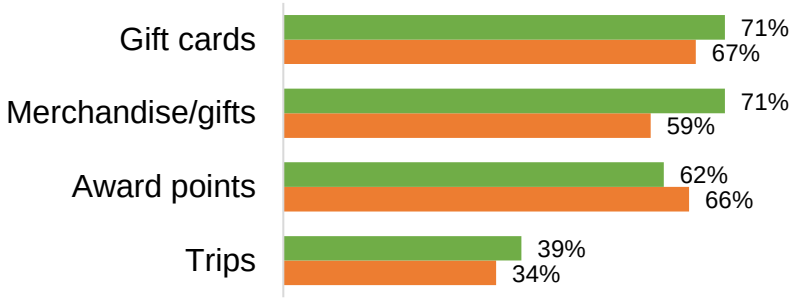
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Finance Industry

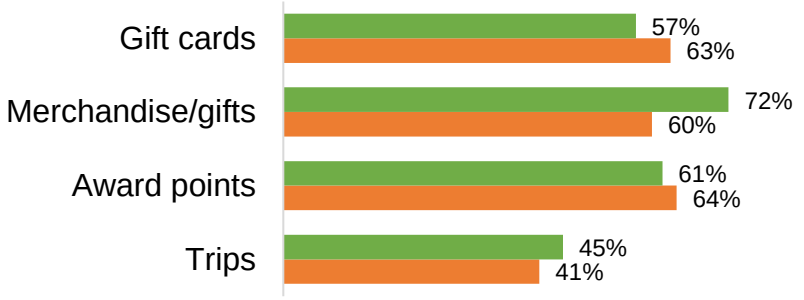
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



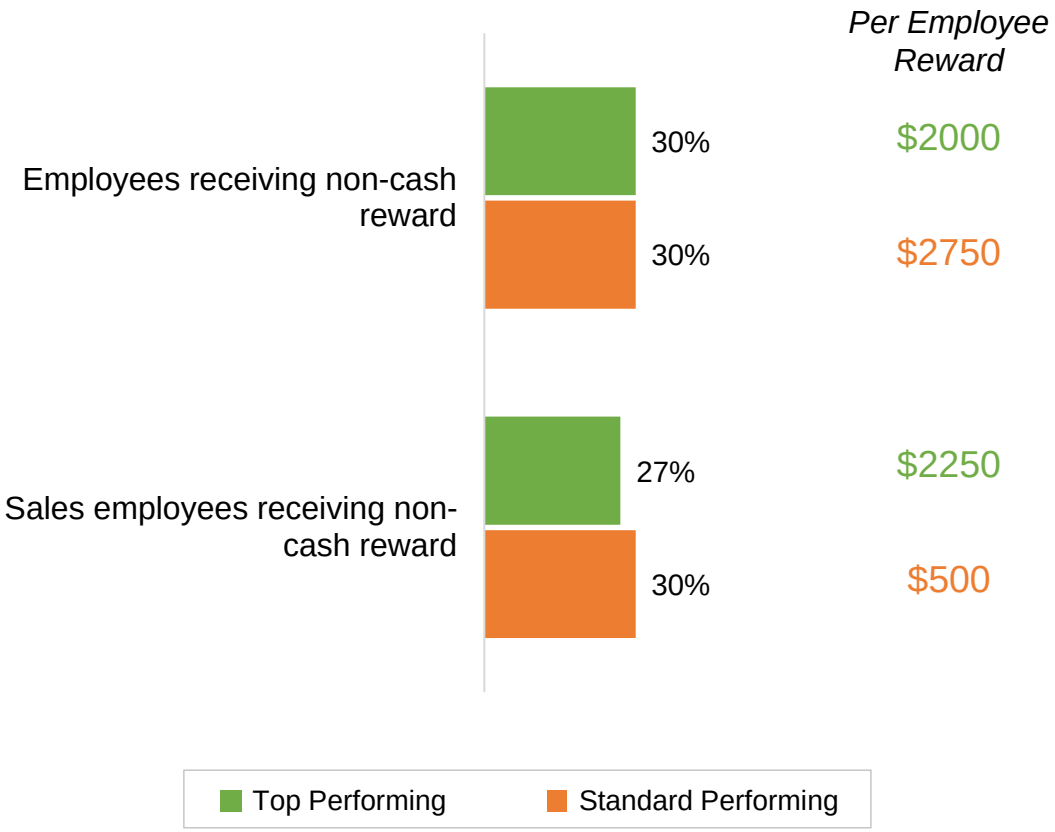
Sales Employees: Non-Cash Rewards Used by Segment



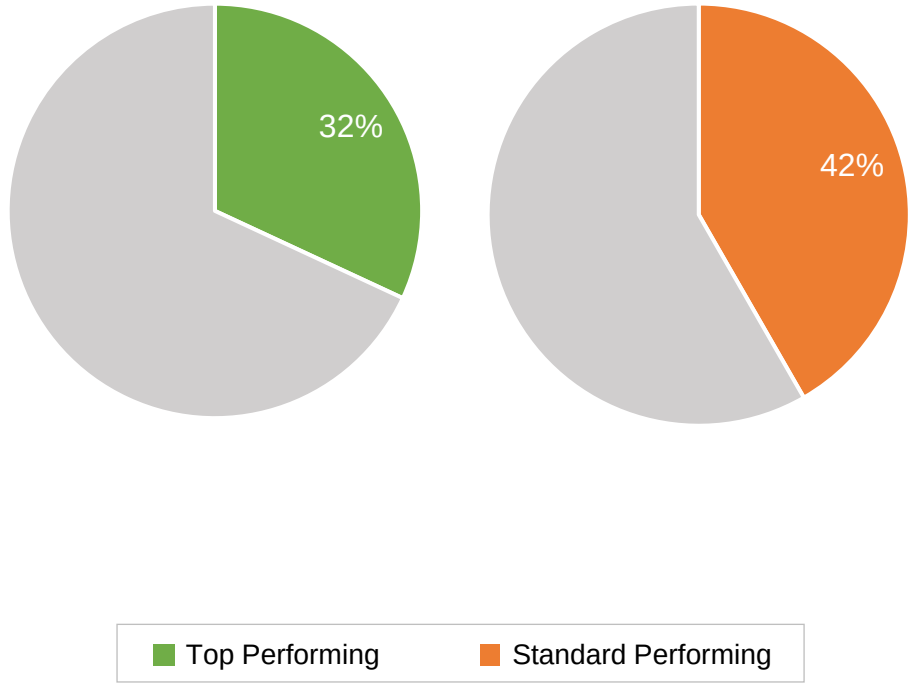
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Finance Industry

Non-Cash Reward Allocation



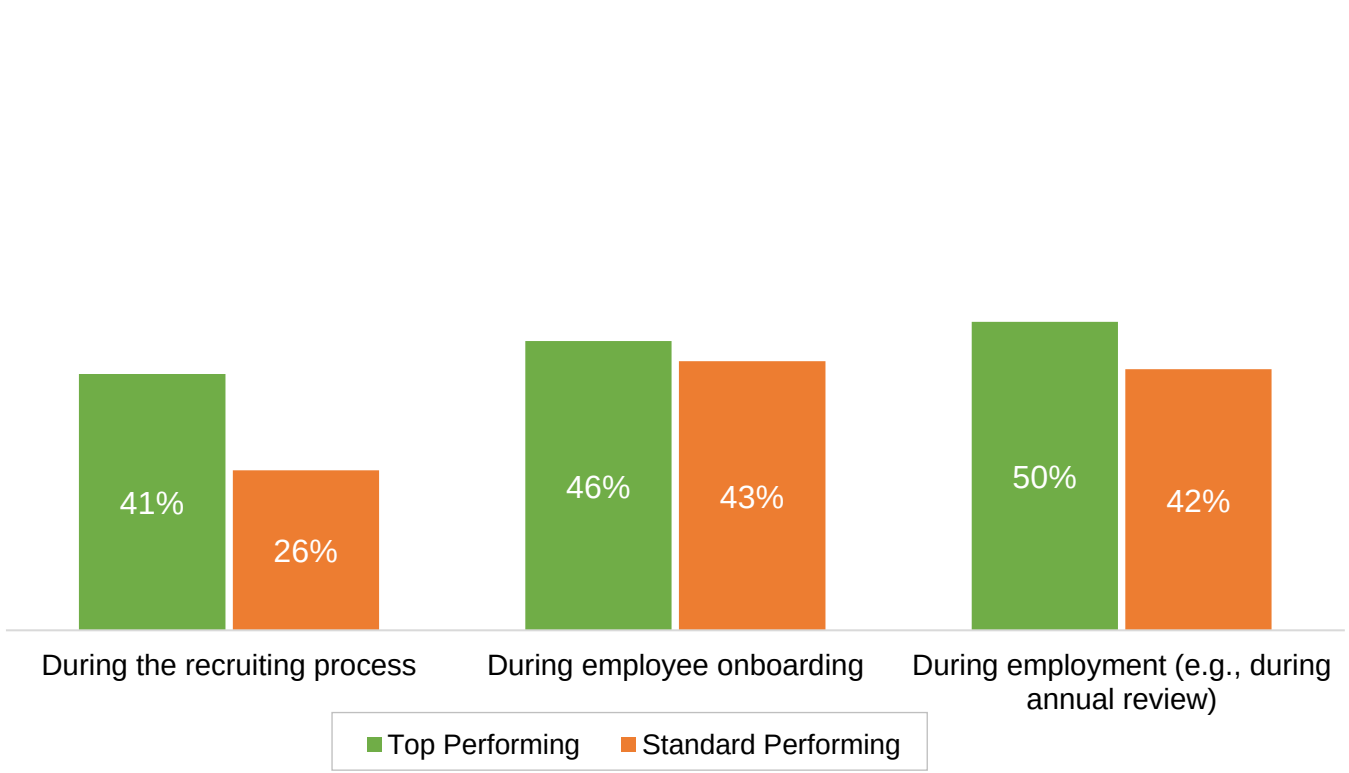
Percent of Annual Non-Cash Rewards Budget Used

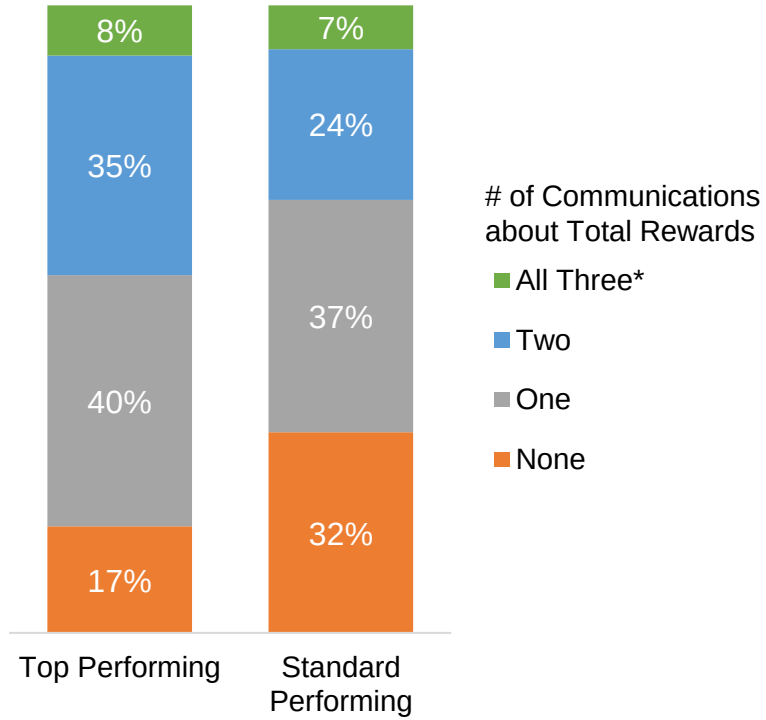


Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Technology Industry

Communication of Total Rewards Strategy & Package



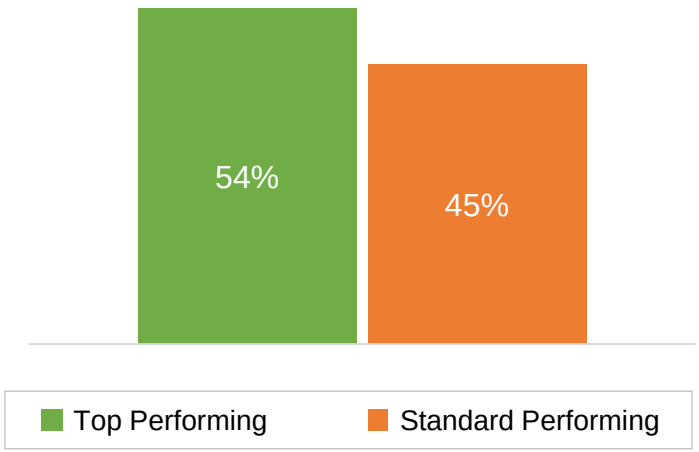


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

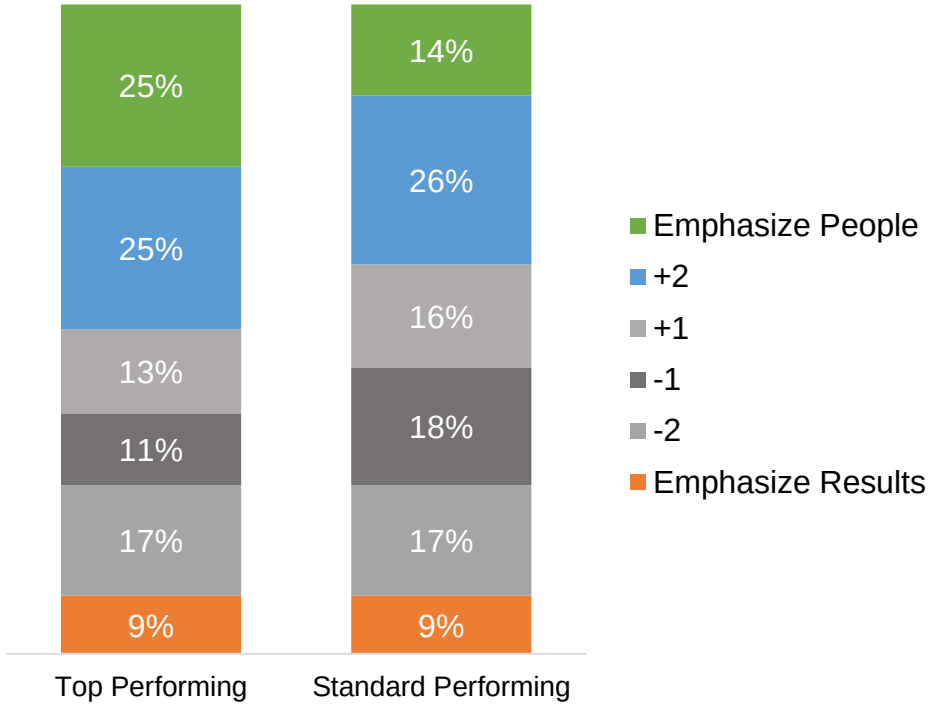
* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Technology Industry

Company Culture Maturity
(Excellent)



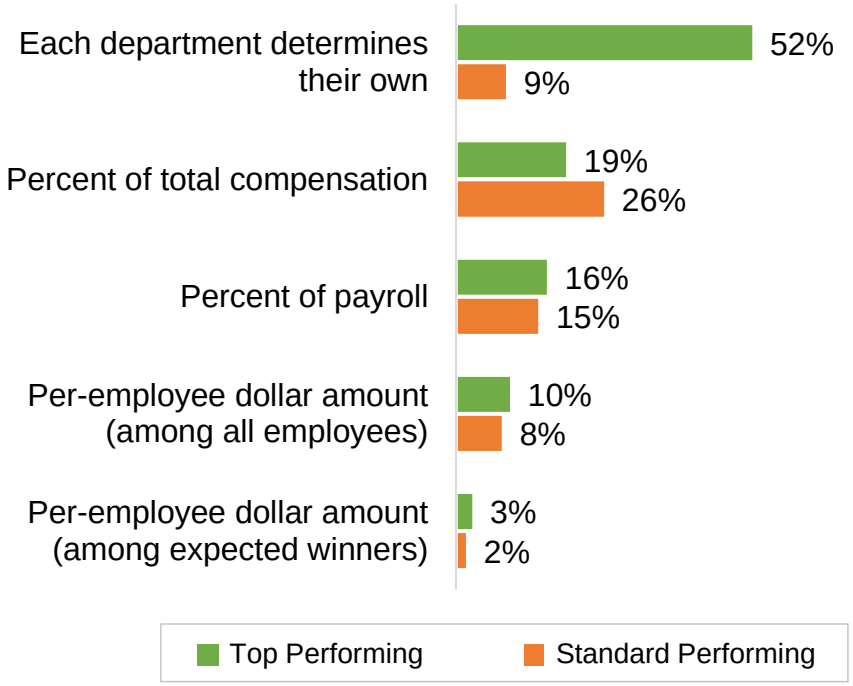
Emphasize Results or People



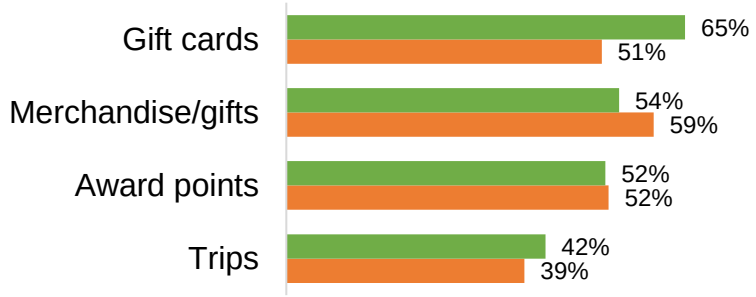
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Technology Industry

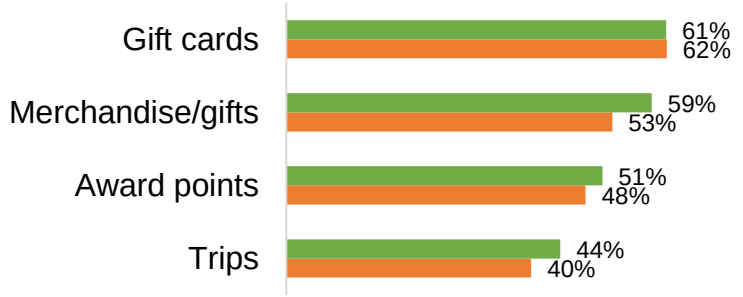
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



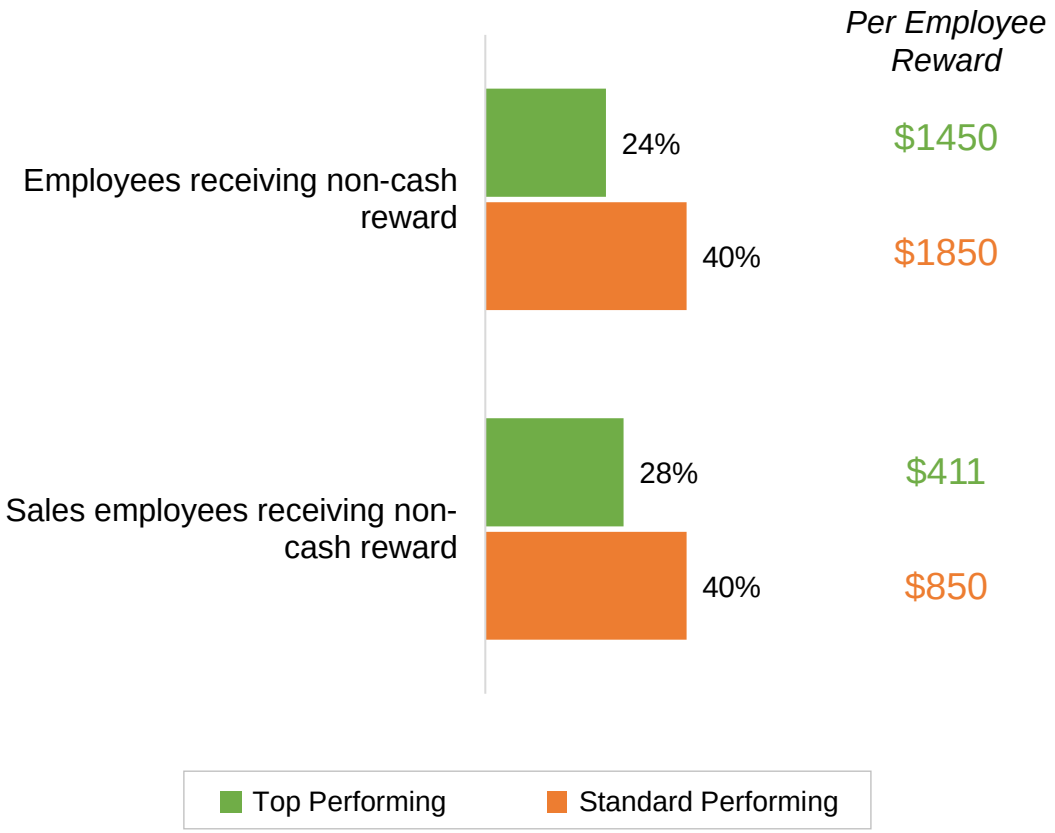
Sales Employees: Non-Cash Rewards Used by Segment



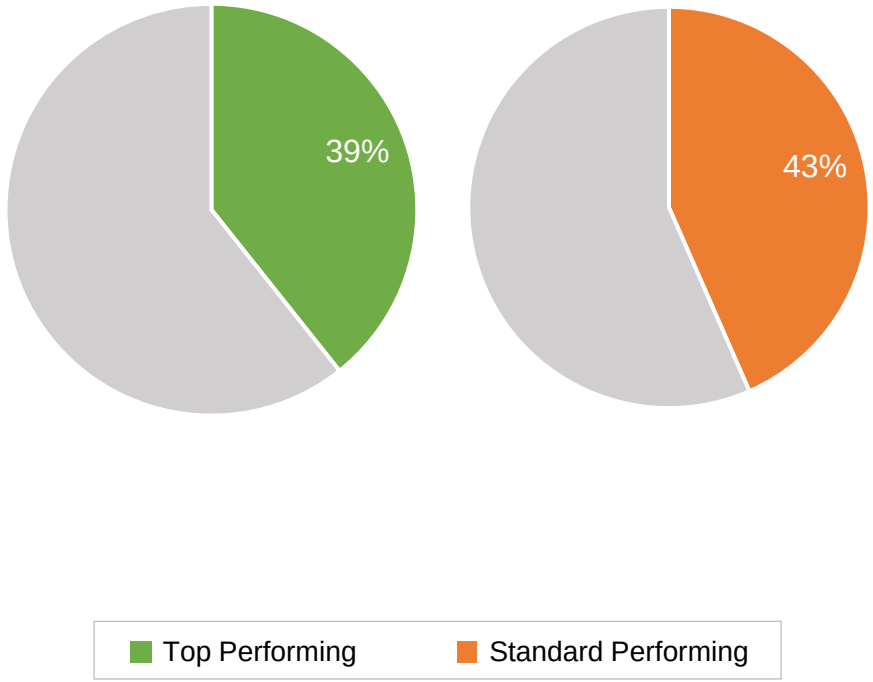
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Technology Industry

Non-Cash Reward Allocation



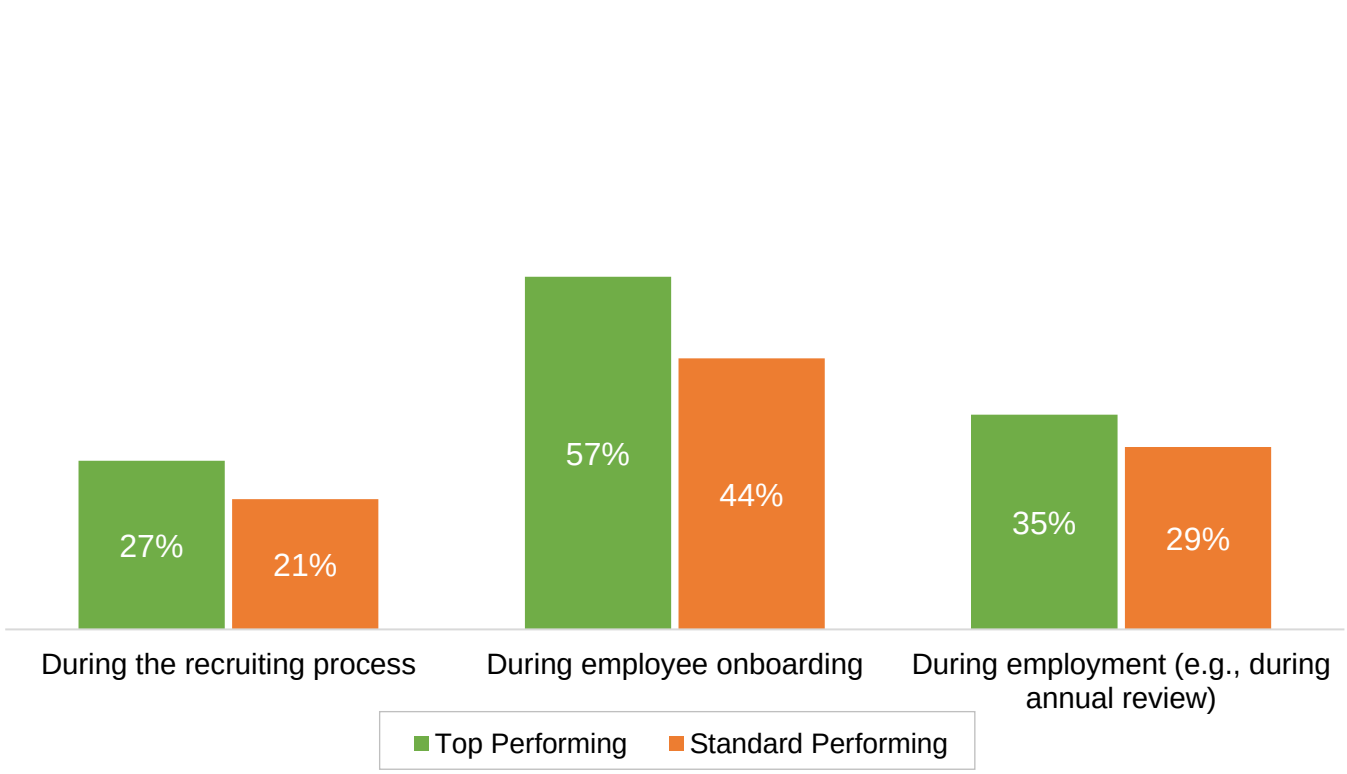
Percent of Annual Non-Cash Rewards Budget Used

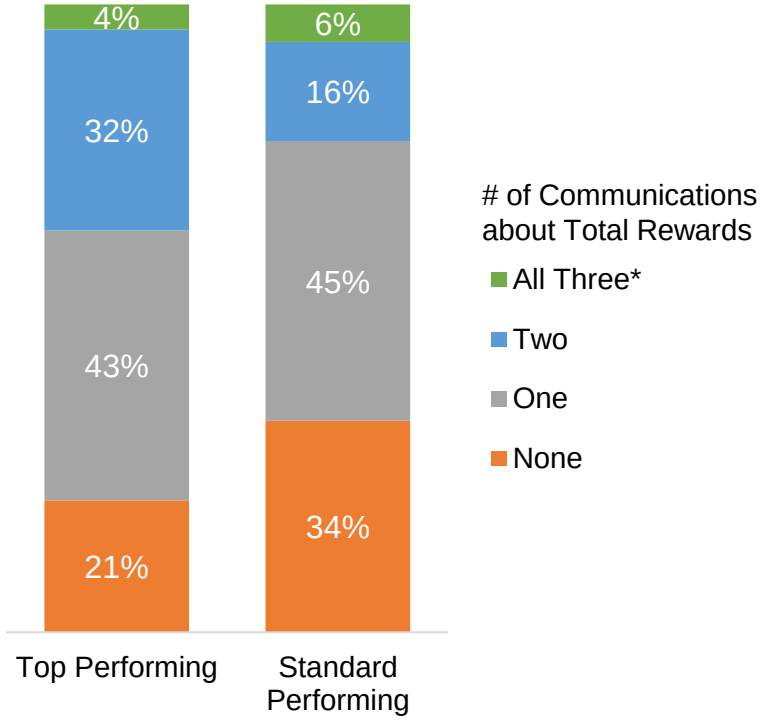


Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Manufacturing Industry

Communication of Total Rewards Strategy & Package



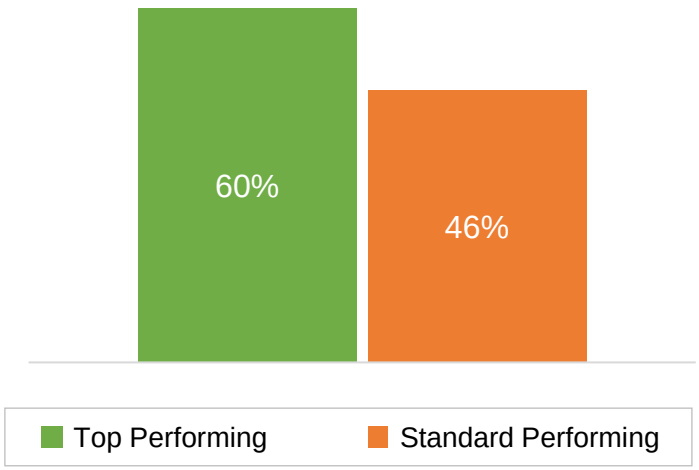


Q11: How would you describe your communication of the total rewards package to your employees?
(Top Box Rating: This describes my organization well)

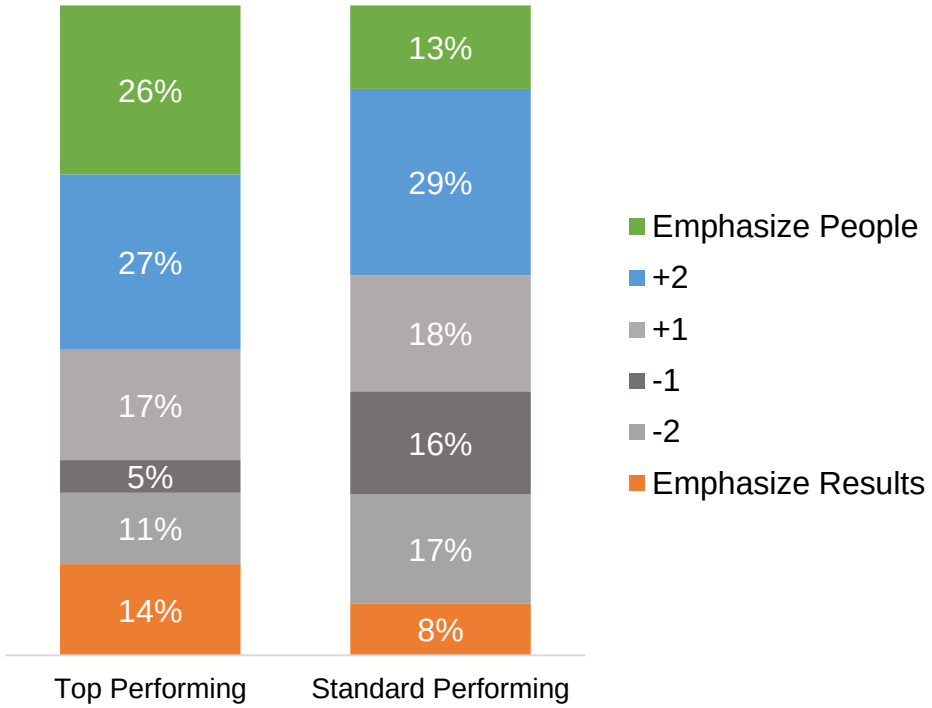
* "All Three" indicates Total Rewards were communicated to employees during recruiting, onboarding, and during annual reviews.

Manufacturing Industry

Company Culture Maturity
(Excellent)



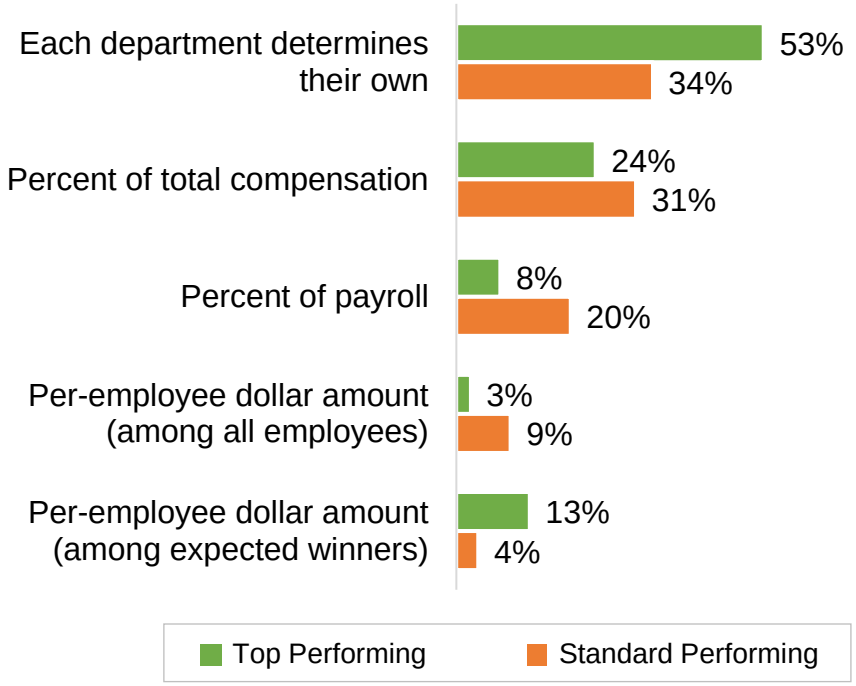
Emphasize Results or People



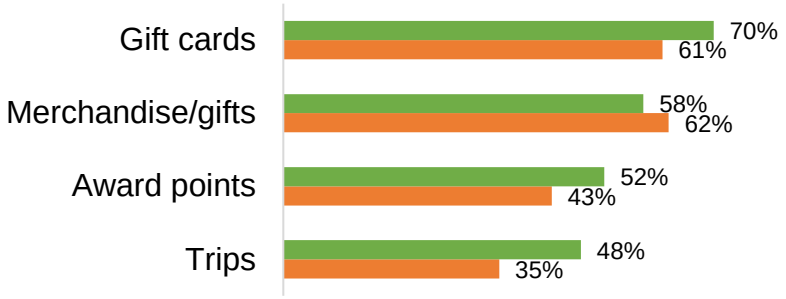
Q7: For each of the following, please indicate your best assessment of where your organization falls.
Q9r3: Company Culture - Please provide your assessment of your organization's current level of maturity on the following items.

Manufacturing Industry

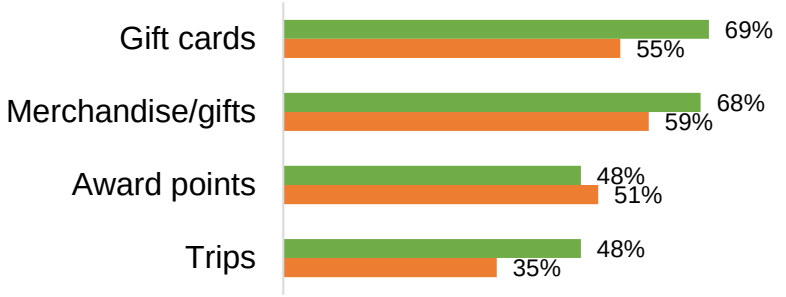
Budgeting Approach for Non-Cash Rewards



All Employees: Non-Cash Rewards Used by Segment



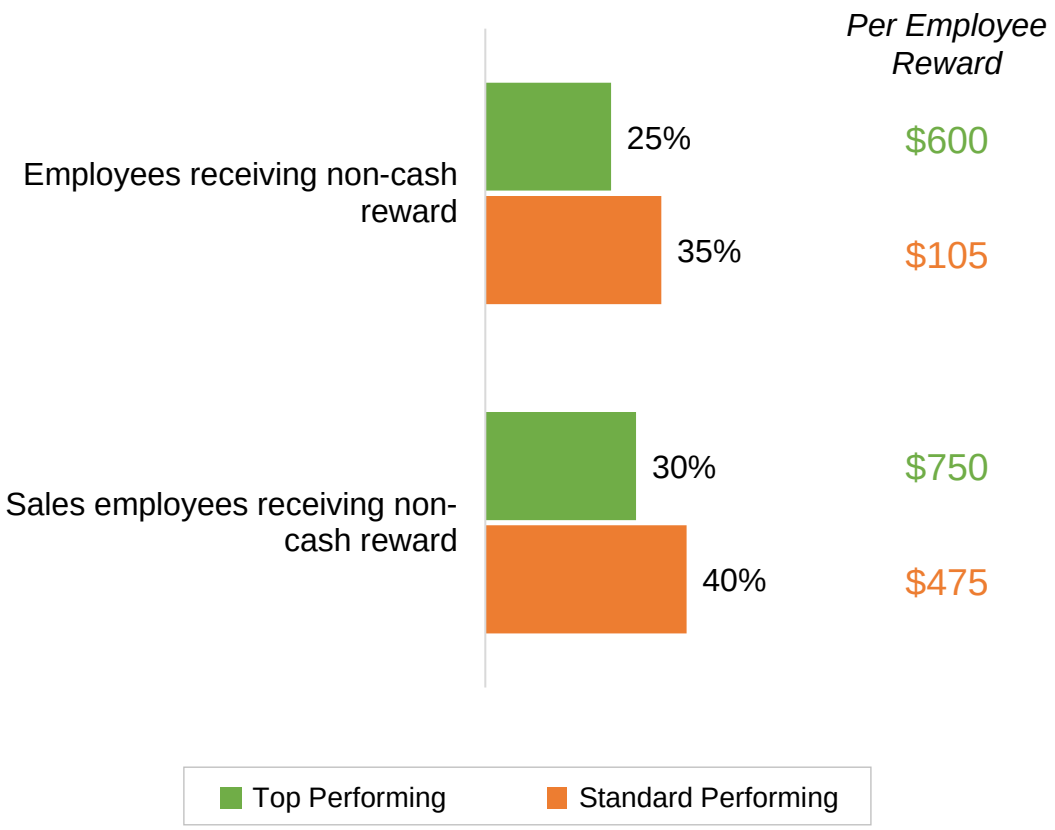
Sales Employees: Non-Cash Rewards Used by Segment



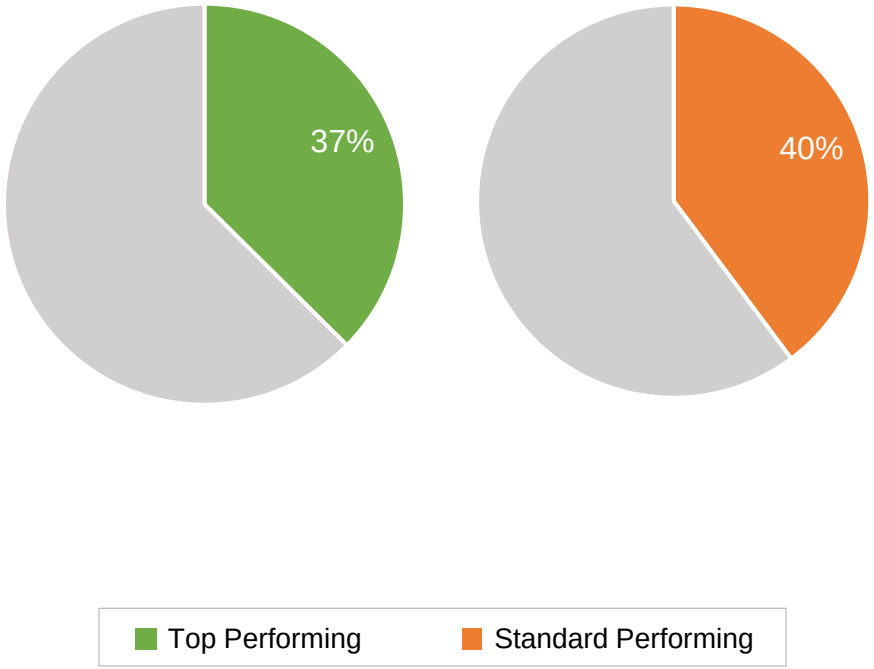
Q13: How does your organization budget the annual spending on non-cash reward and recognition?
Q14_3: Which of the following do you use as non-cash rewards for your employees? Select all that apply.

Manufacturing Industry

Non-Cash Reward Allocation



Percent of Annual Non-Cash Rewards Budget Used



Q14_2 & Q17_2: What is the per-employee dollar amount used?
Q14_4 & Q17_4: What percent of your organization's [sales] employees receive a non-cash reward during an average year?
Q18_1: Thinking about your total rewards budget, what percentage of your budgeted non-cash rewards was actually used in 2023?

Incentive Research Foundation

Additional Findings

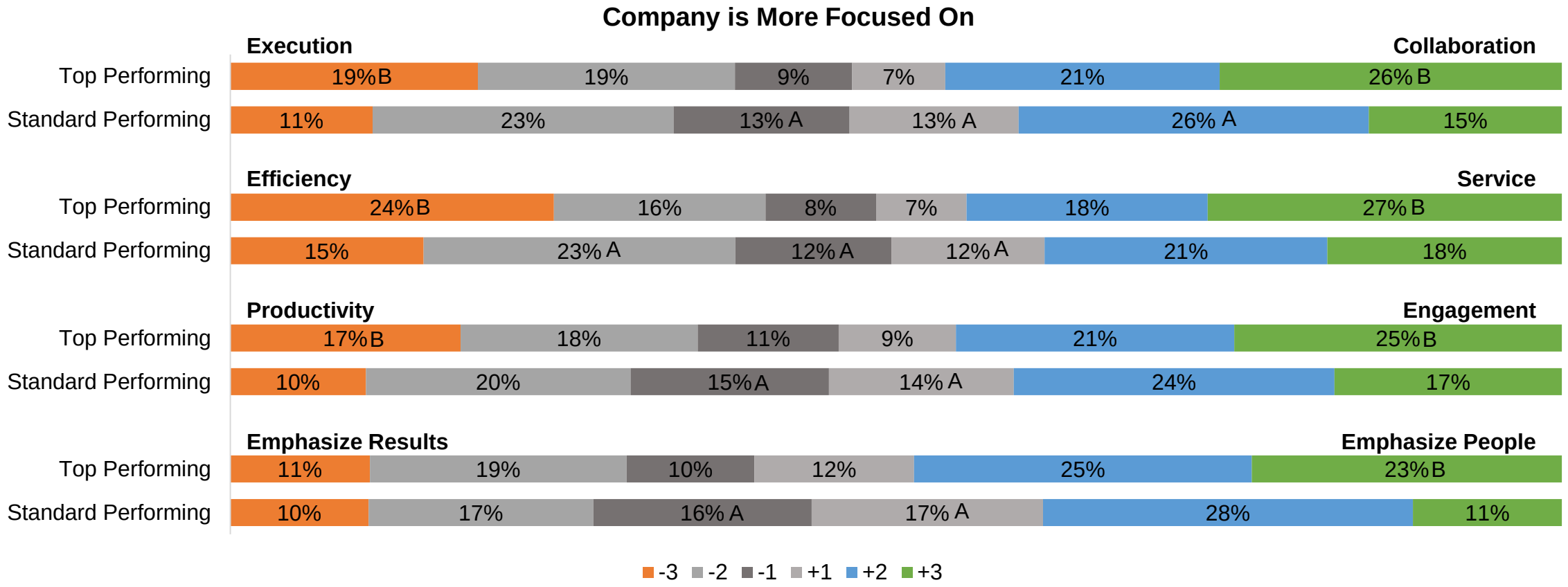
Respondent Profile

	Top Performing (n=602) (A)	Standard Performing (n=598) (B)
Number of employees		
5 to 49 employees	7%	10%
50 to 149 employees	19% B	13%
150 to 499 employees	14%	16%
500 to 999 employees	14%	17%
1000 to 2499 employees	15%	15%
2500 to 4999 employees	15%	15%
5000+ employees	16%	14%
Industry		
Professional Services	19% B	15%
Health	19%	15%
Retail	18%	16%
Finance	16%	18%
Technology	16%	18%
Manufacturing	14%	20% A

	Top Performing (n=602) (A)	Standard Performing (n=598) (B)
Age		
Millennials	68%	67%
Generation X	31%	29%
Baby Boomers	1%	4% A
Job function		
Sales	49%	51%
HR	51%	49%
Job level		
Individual contributor	10%	16% A
Supervisor/Manager/Director	63% B	56%
Executive	28%	28%

Letters indicate a statistically significant difference between columns at the 95% confidence level.

Culture



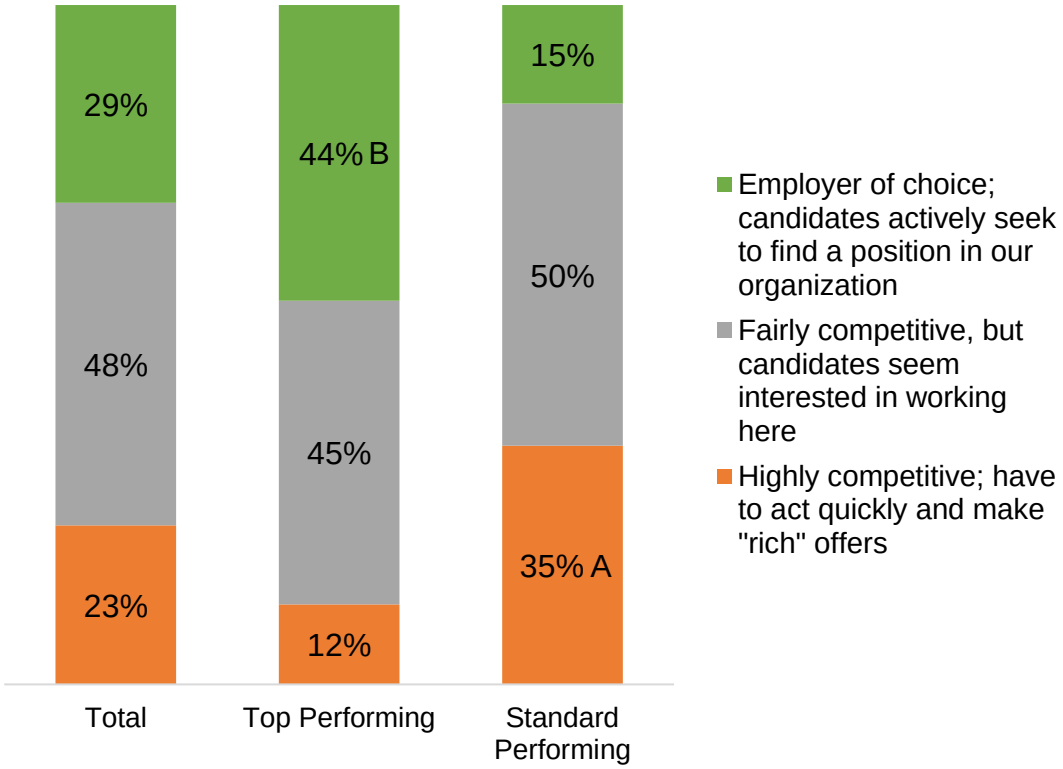
Top Performing (n=602) (A)
Standard Performing (n=598) (B)

Q7: For each of the following, please indicate your best assessment of where your organization falls.

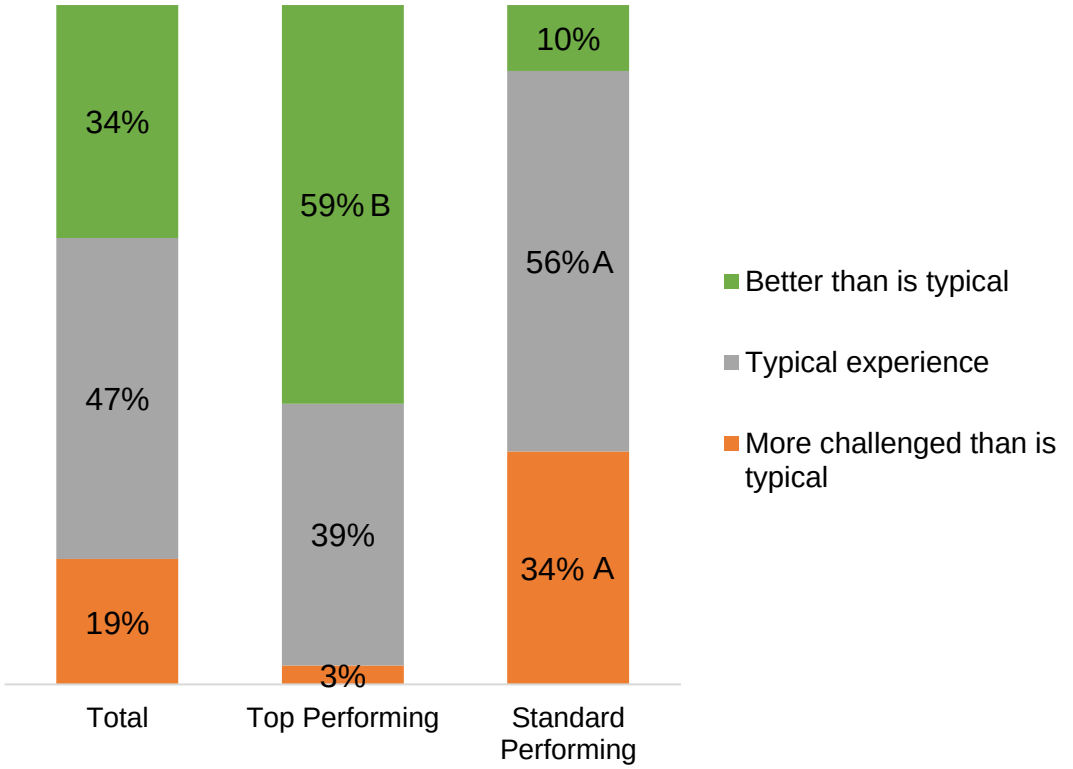
Letters indicate a statistically significant difference between groups at the 95% confidence level.

Organizational Performance

Q1: Which of the following best describes your organization's experience when **hiring talent**?



Q2: Which of the following best describes your organization's recent experience **recruiting talent**?

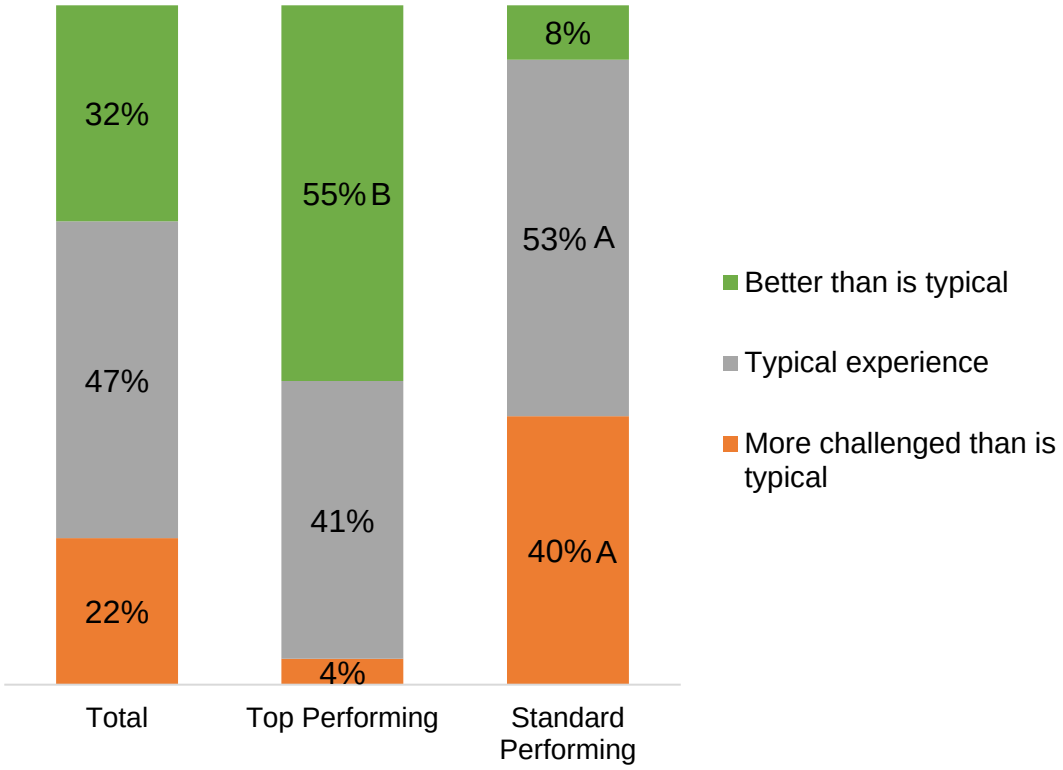


Top Performing (n=602) (A)
Standard Performing (n=598) (B)

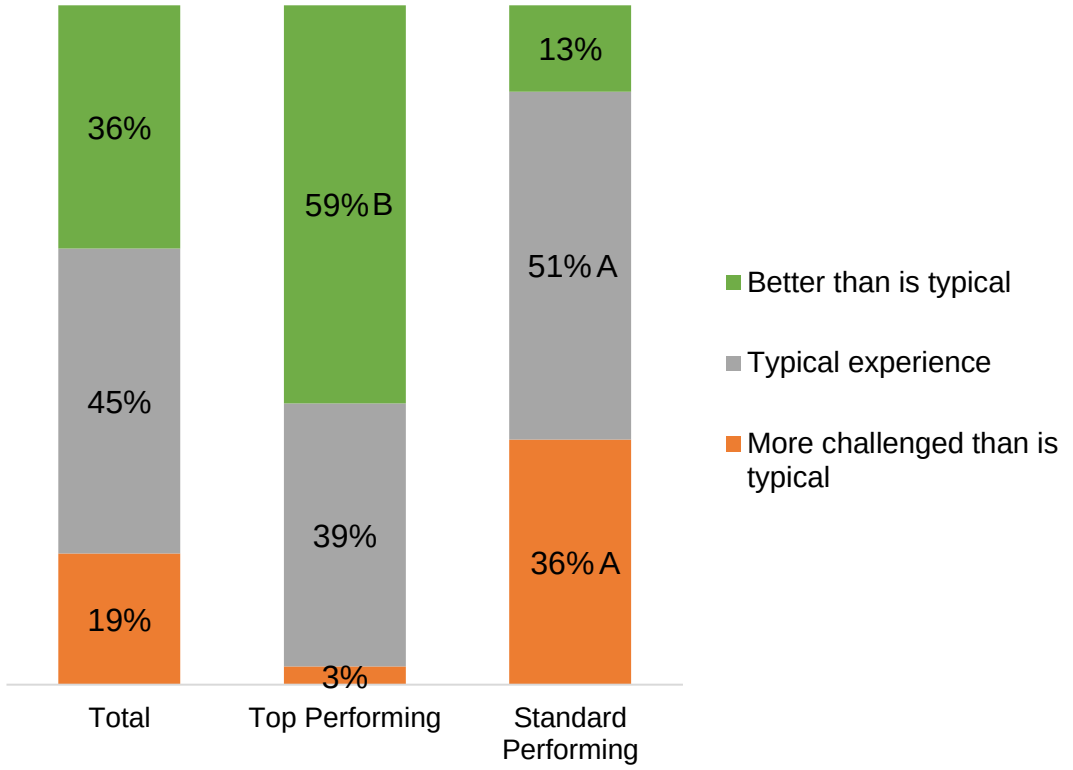
Letters indicate a statistically significant difference between groups at the 95% confidence level.

Organizational Performance

Q3: Which of the following best describes your organization's recent experience **retaining talent**?



Q4: Which best describes your organization's recent experience **acquiring new customers**?

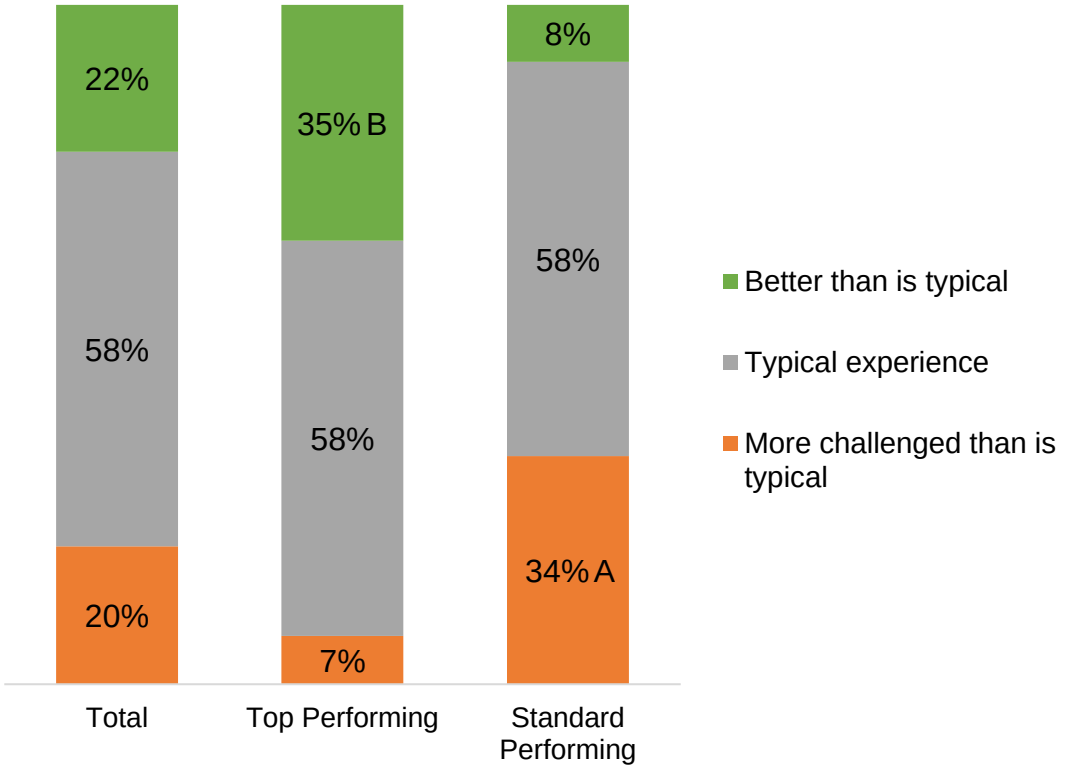


Top Performing (n=602) (A)
Standard Performing (n=598) (B)

Letters indicate a statistically significant difference between groups at the 95% confidence level.

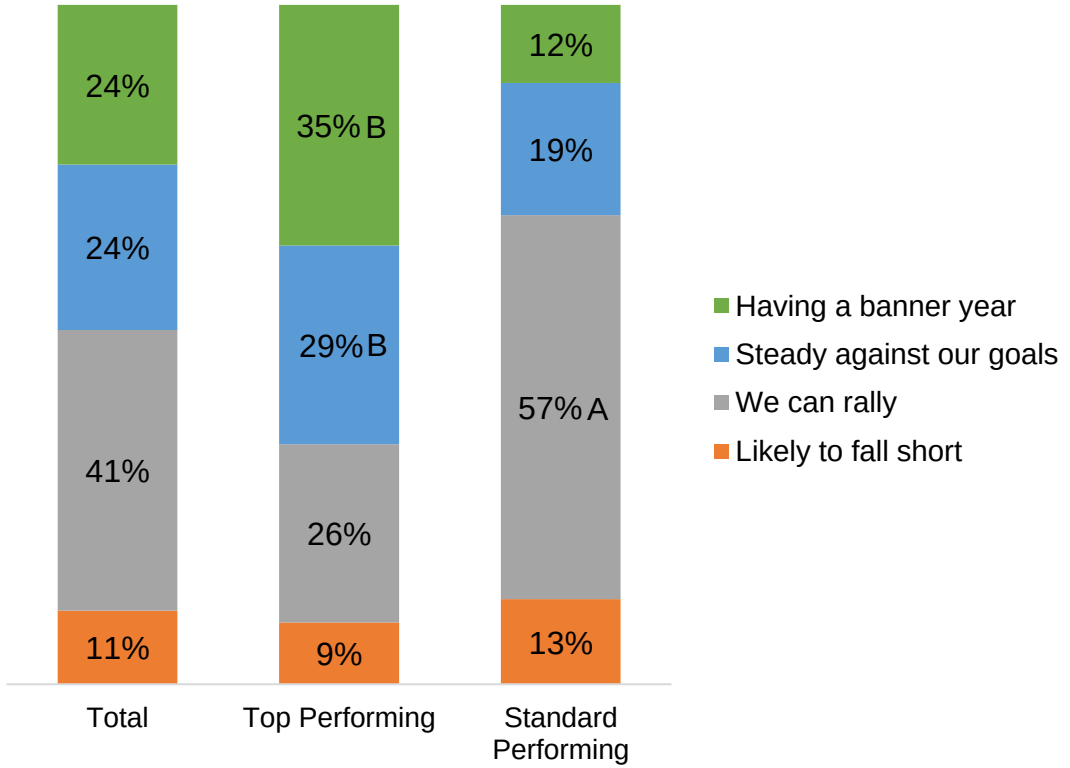
Organizational Performance

Q5: Which of the following best describes your recent experience **retaining customers**?



Top Performing (n=602) (A)
Standard Performing (n=598) (B)

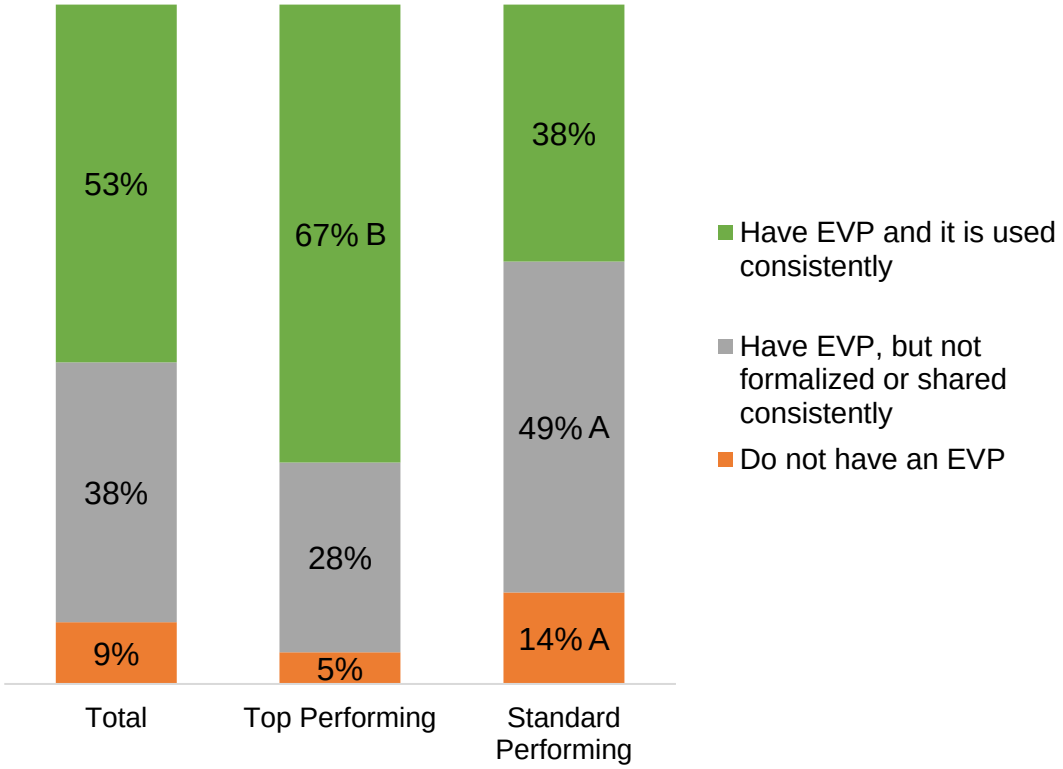
Q6: Which best describes your organization's recent experience against key performance goals?



Letters indicate a statistically significant difference between groups at the 95% confidence level.

Organizational Performance

Q4_1: Does your organization have an employee value proposition (EVP) in place, articulating the values, culture, support, and rewards employees can expect during their annual reviews with you?

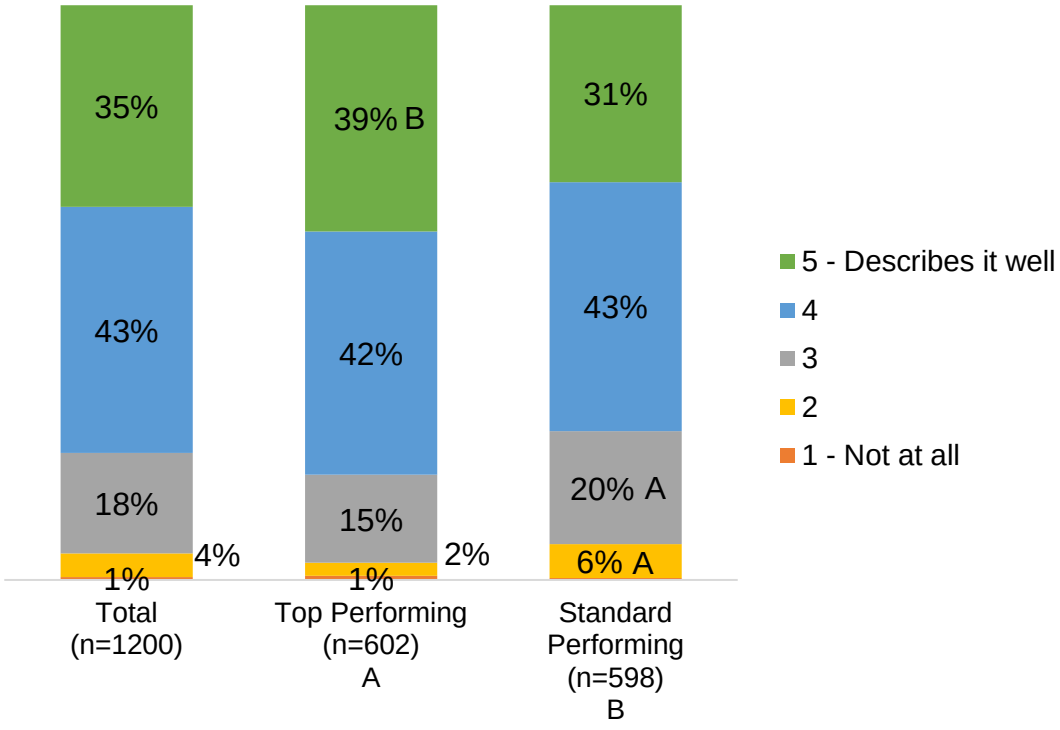


Top Performing (n=602) (A)
Standard Performing (n=598) (B)

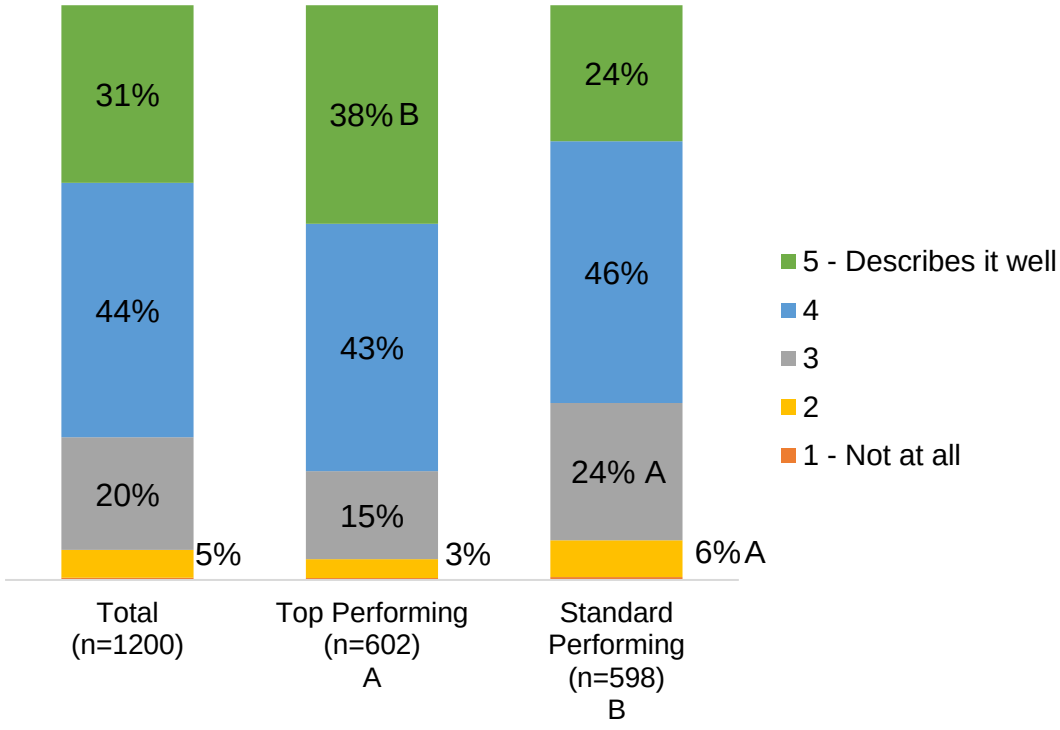
Letters indicate a statistically significant difference between groups at the 95% confidence level.

Talent Readiness

Q8r1: Please indicate how well the statement describes your organization: **Our talent has the skills needed to deliver business results**



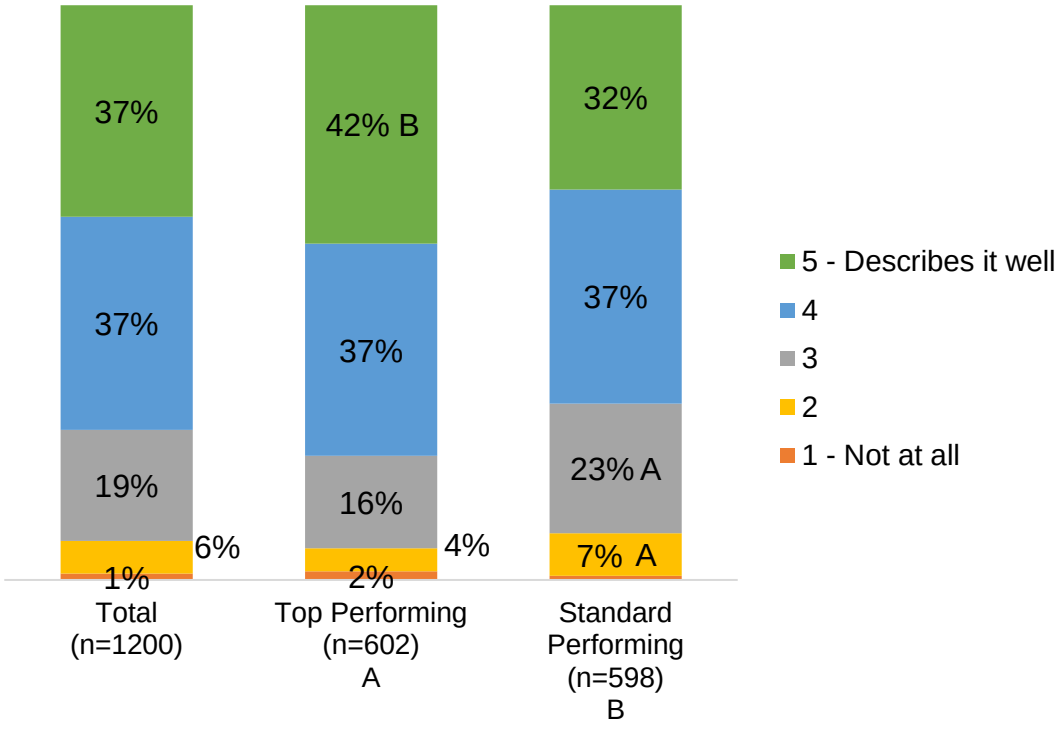
Q8r2: Please indicate how well the statement describes your organization: **Our talent is able to rapidly and effectively deploy against new strategies and priorities**



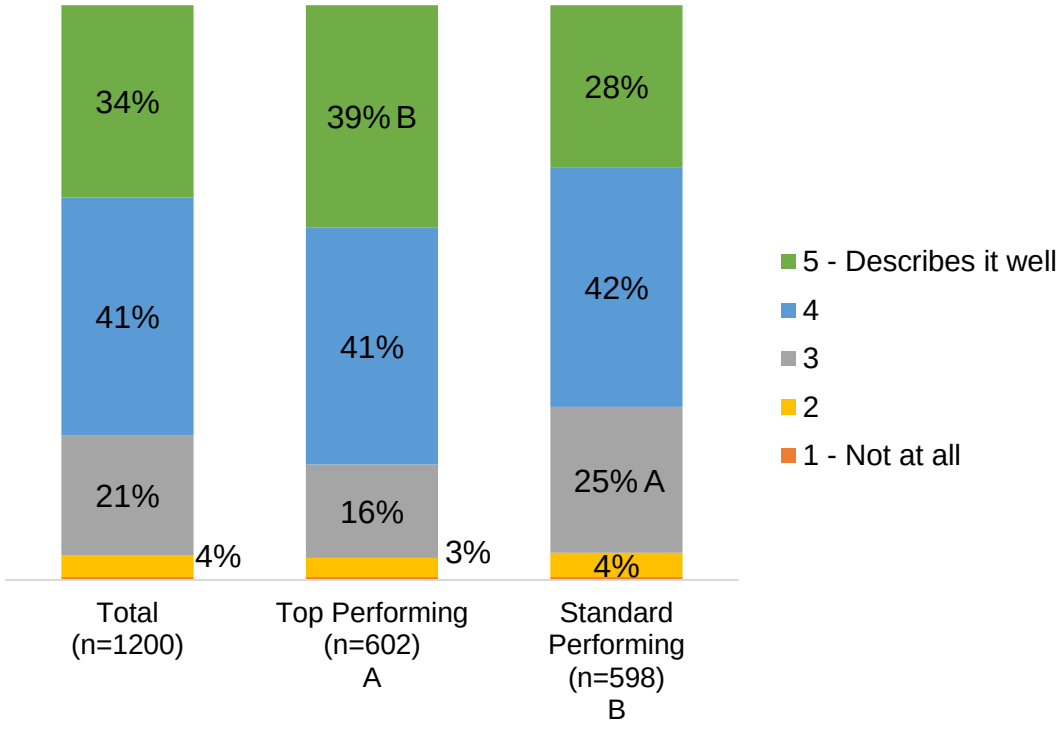
Letters indicate a statistically significant difference between columns at the 95% confidence level.

Talent Readiness

Q8r3: Please indicate how well the statement describes your organization: **Our HR efforts are tied directly to our key business strategies and outcomes**



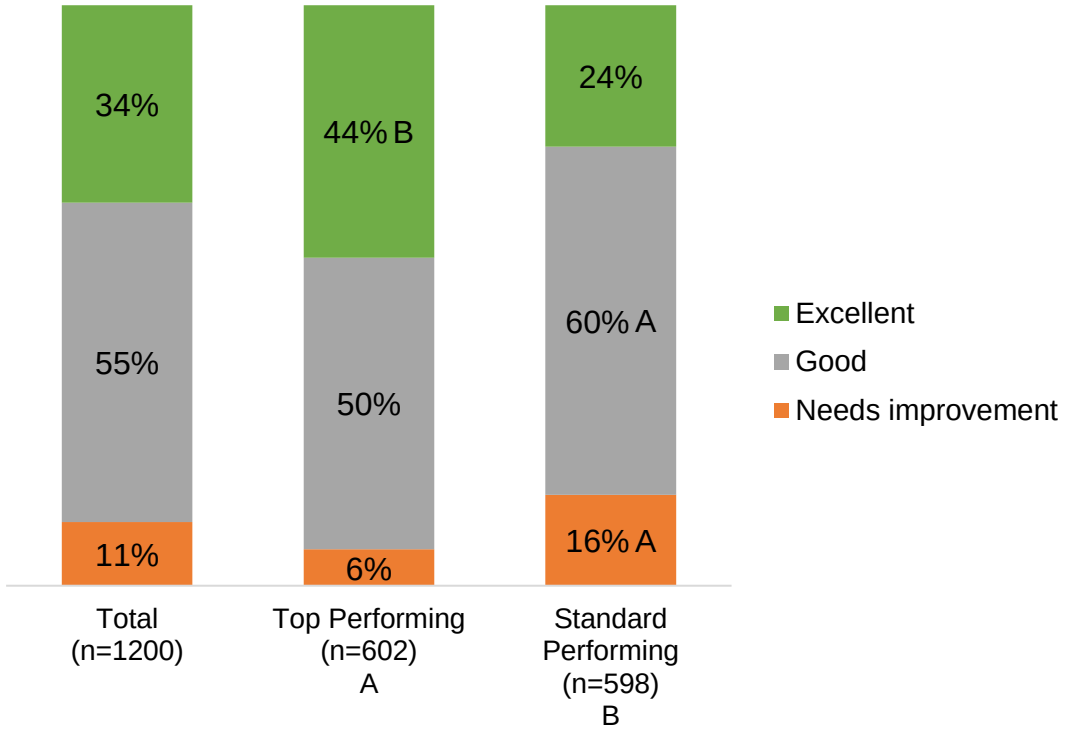
Q8r4: Please indicate how well the statement describes your organization: **Our employees are engaged and performing at a high level**



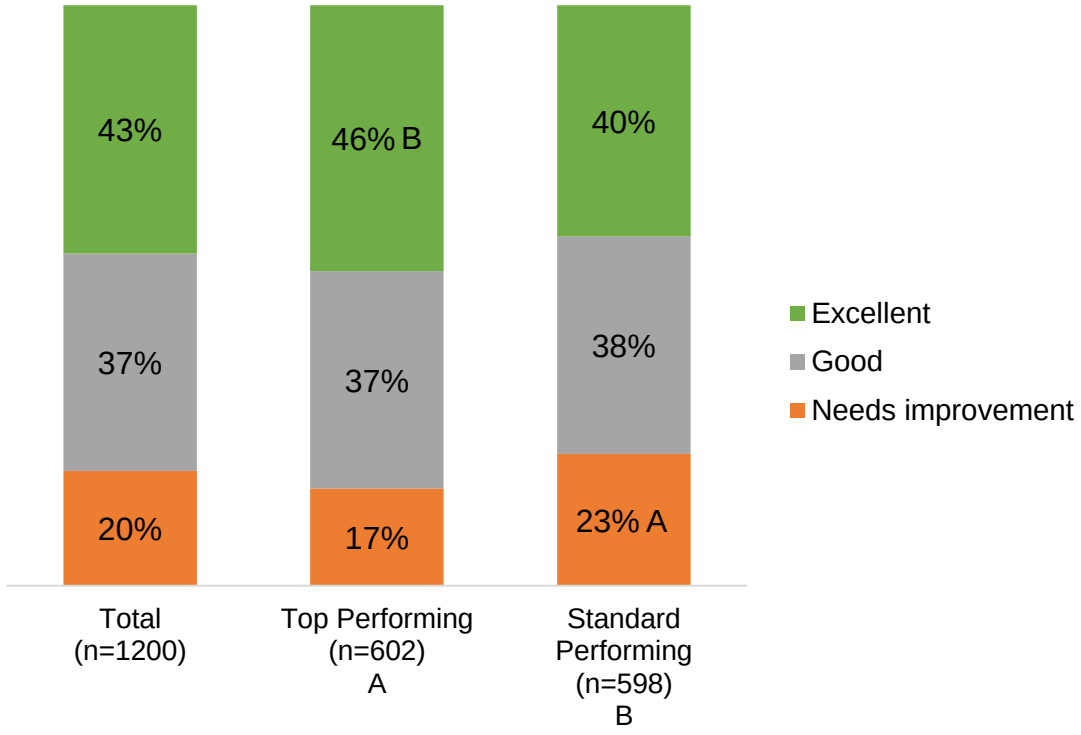
Letters indicate a statistically significant difference between columns at the 95% confidence level.

Level of Maturity

Q9r1: Please provide your assessment of your organization's current level of maturity on: **Talent Strategy**



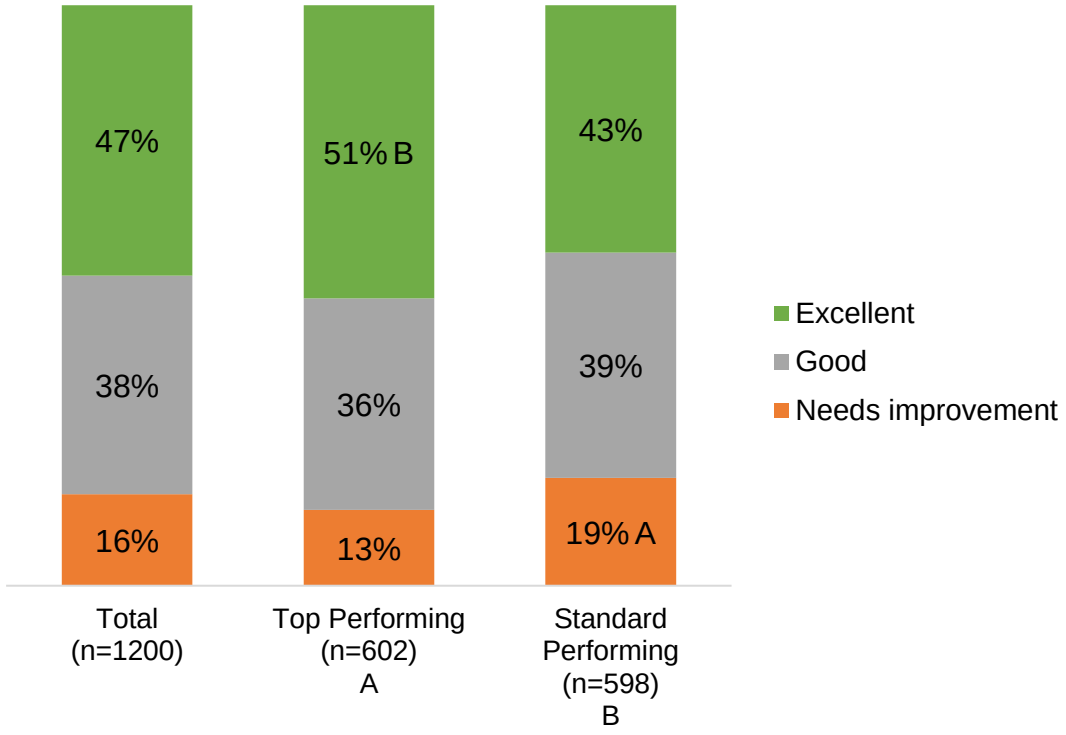
Q9r2: Please provide your assessment of your organization's current level of maturity on: **Total Rewards**



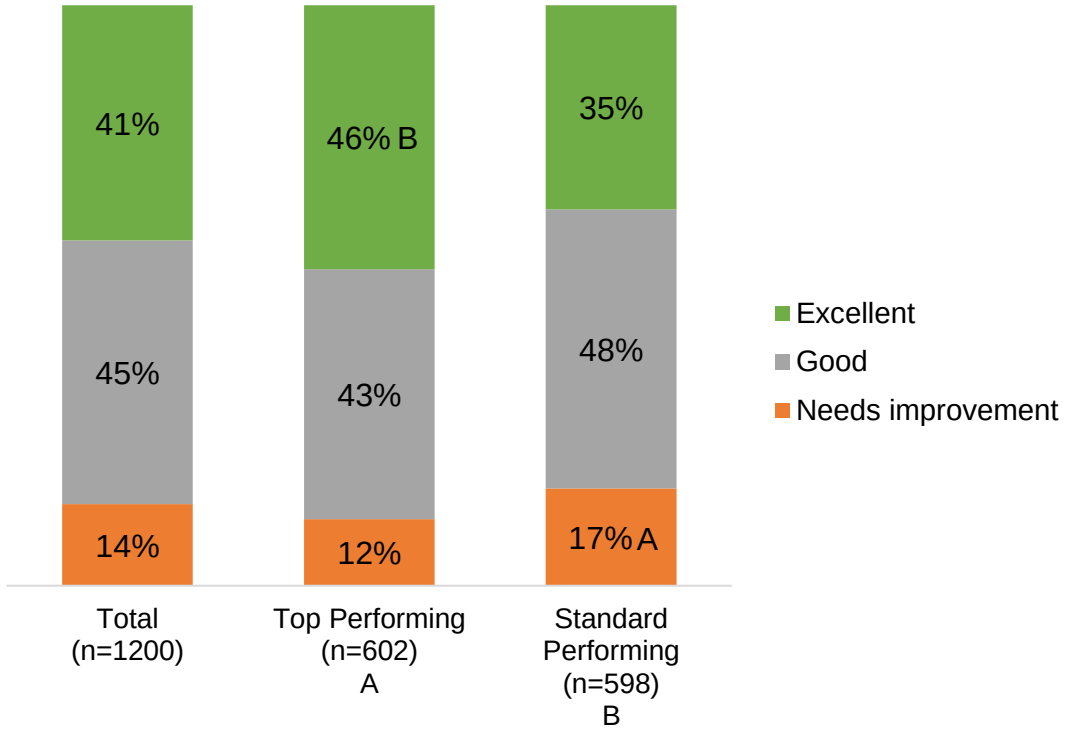
Letters indicate a statistically significant difference between columns at the 95% confidence level.

Level of Maturity

Q9r3: Please provide your assessment of your organization's current level of maturity on: **Company Culture**



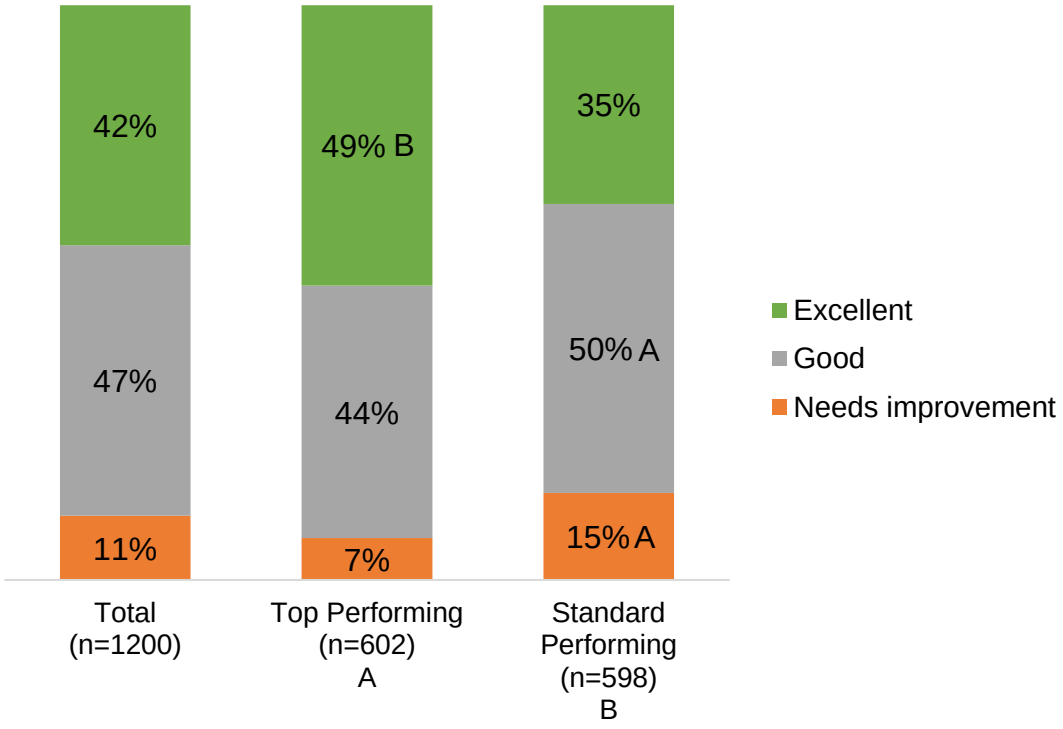
Q9r4: Please provide your assessment of your organization's current level of maturity on: **Employee Engagement**



Letters indicate a statistically significant difference between columns at the 95% confidence level.

Level of Maturity

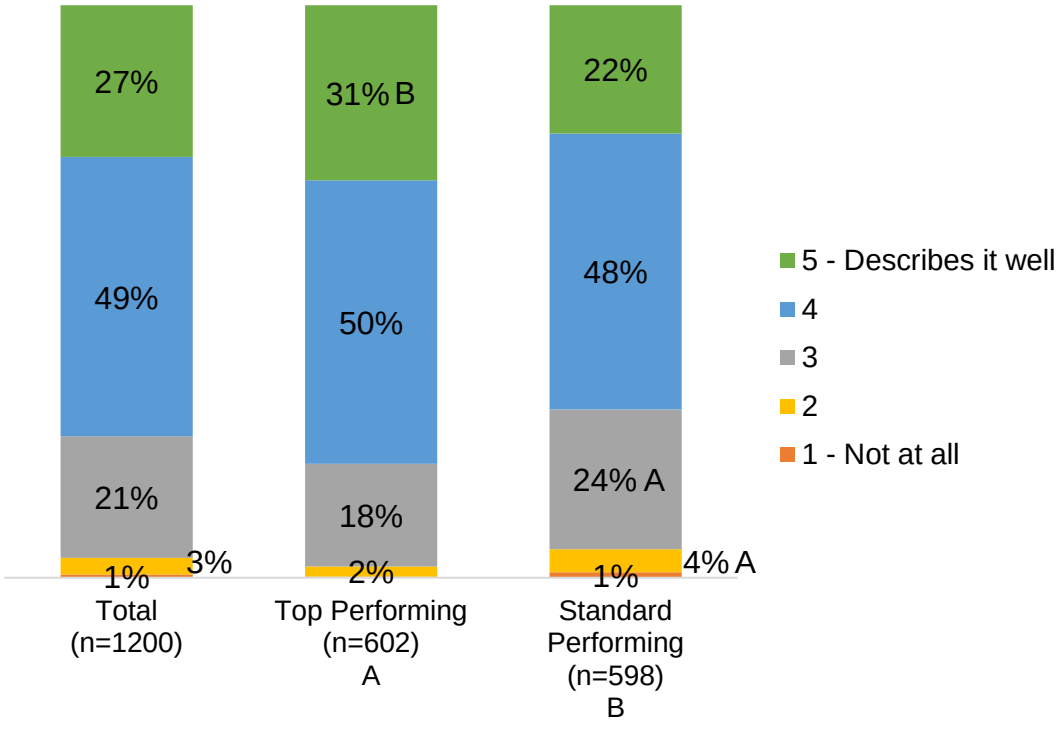
Q9r5: Please provide your assessment of your organization's current level of maturity on: **Business Results**



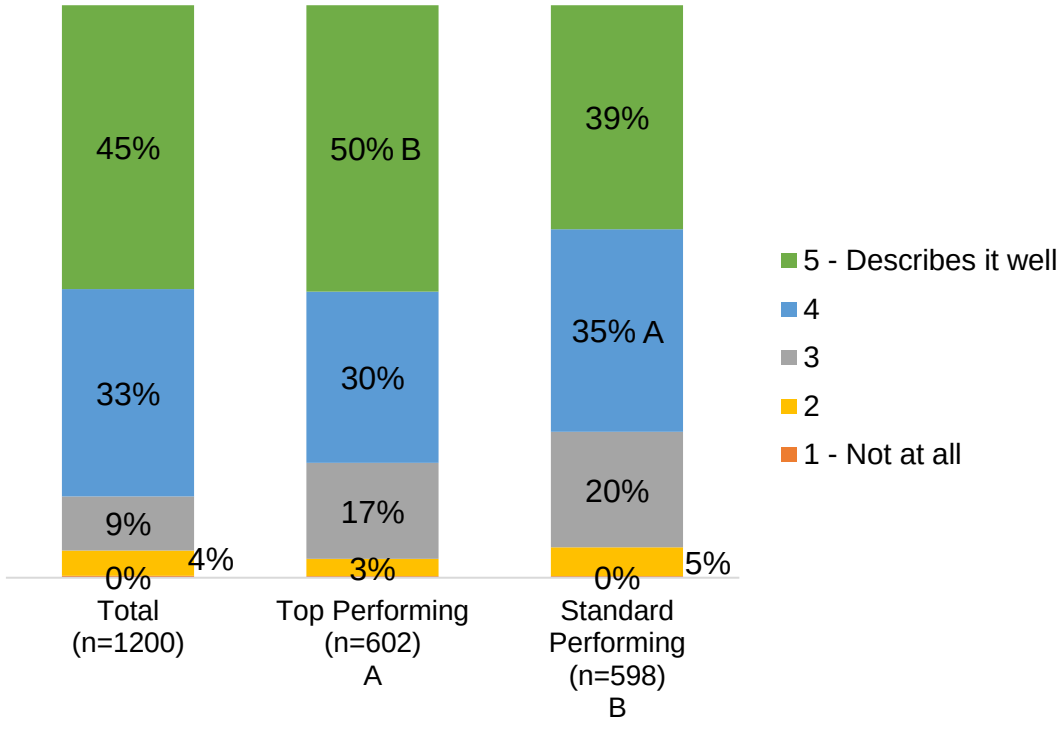
Letters indicate a statistically significant difference between columns at the 95% confidence level.

Communication

Q11r1: How would you describe your communication of the total rewards package to your employees? **During the recruiting process**



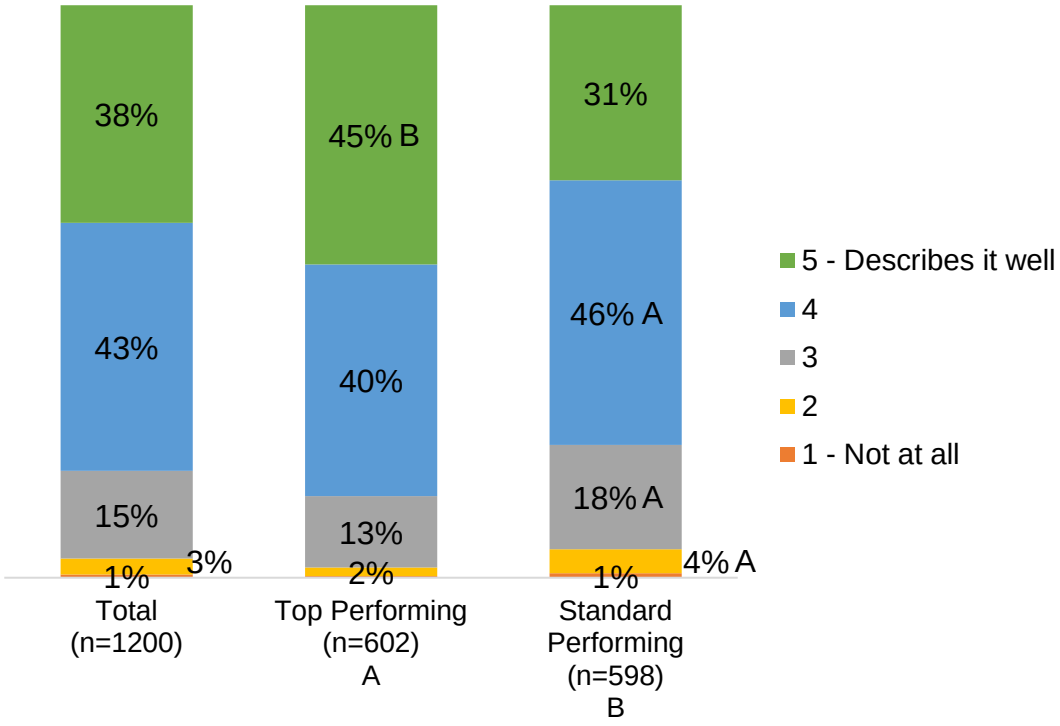
Q11r2: How would you describe your communication of the total rewards package to your employees? **During employee onboarding**



Letters indicate a statistically significant difference between columns at the 95% confidence level.

Communication

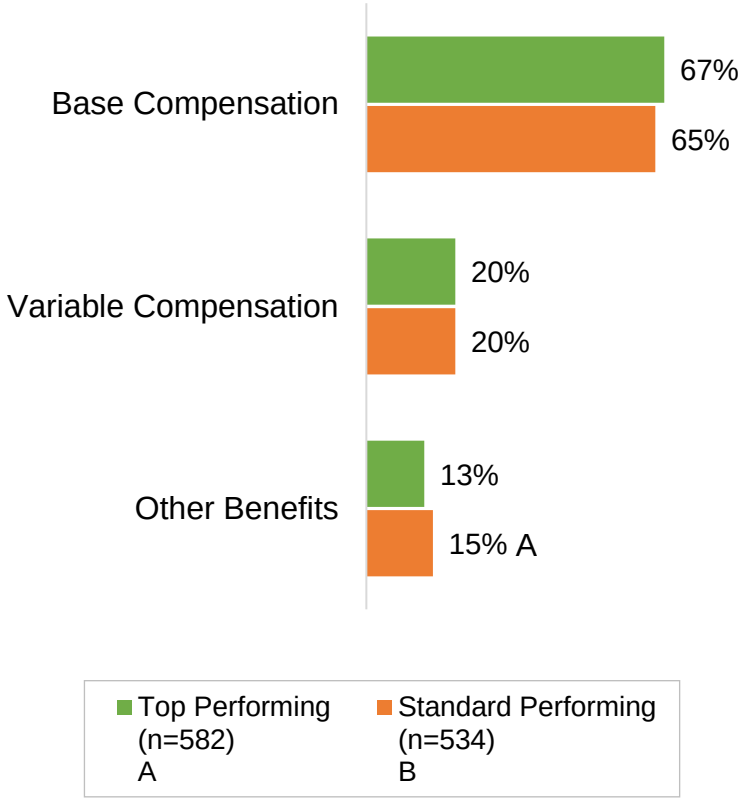
Q11r3: How would you describe your communication of the total rewards package to your employees? **During annual reviews (e.g., during annual review)**



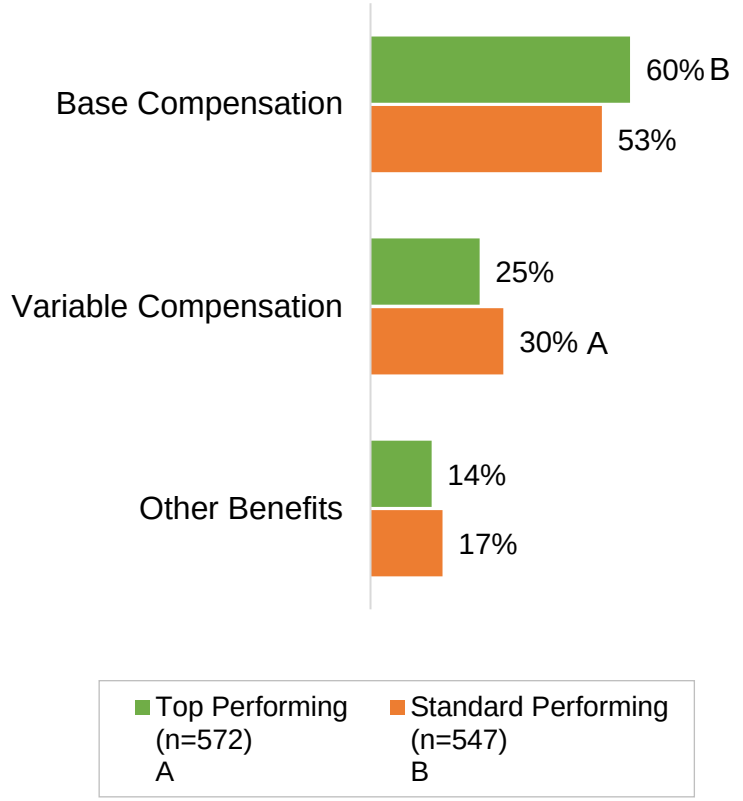
Letters indicate a statistically significant difference between columns at the 95% confidence level.

Compensation Components

Q12: Of your average employee's total compensation, what percent is…?



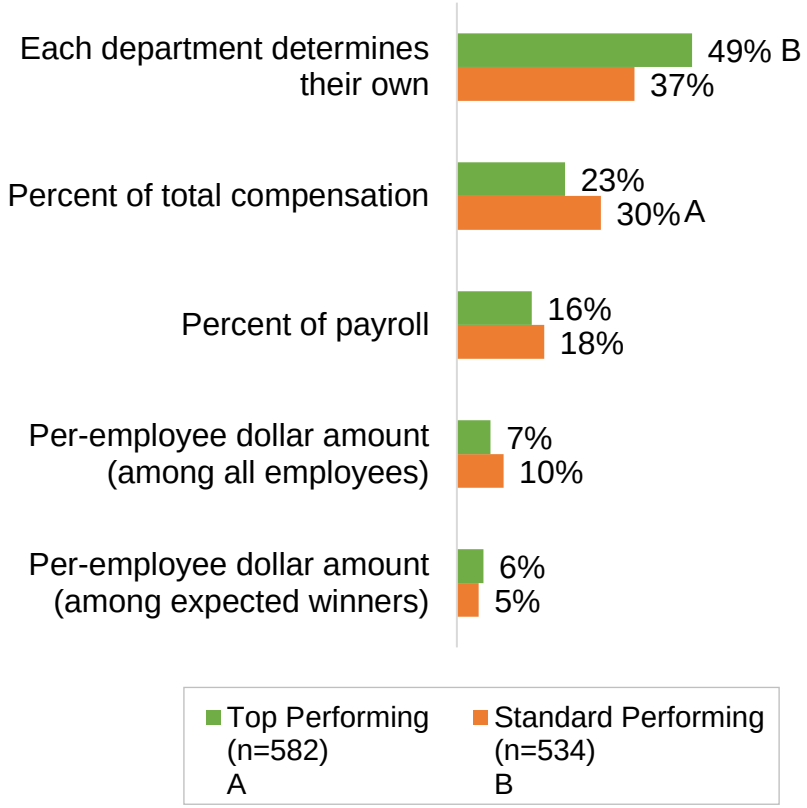
Q15: Of your average salesperson's total compensation, what percent is…?



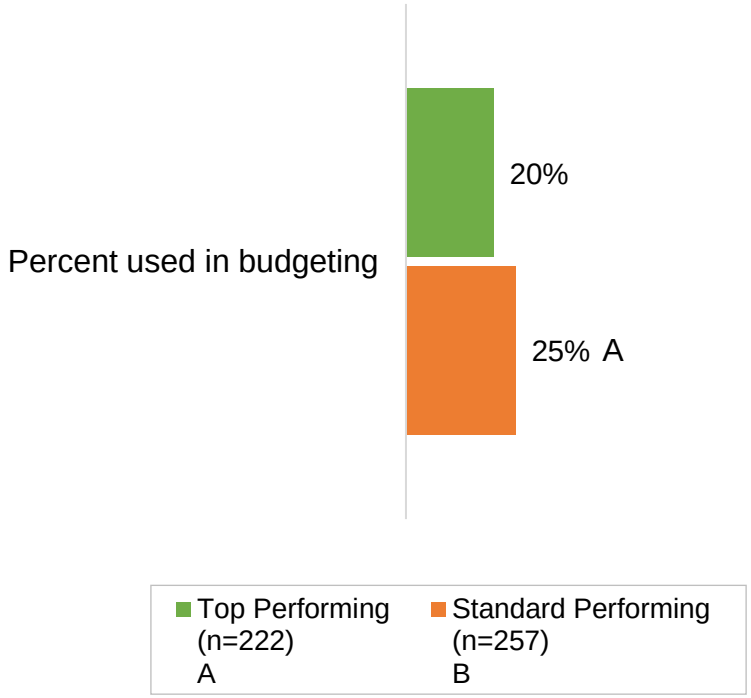
Letters indicate a statistically significant difference between groups at the 95% confidence level.

Non-Cash Rewards

Q13: How does your sales organization budget the annual spending on non-cash reward and recognition?



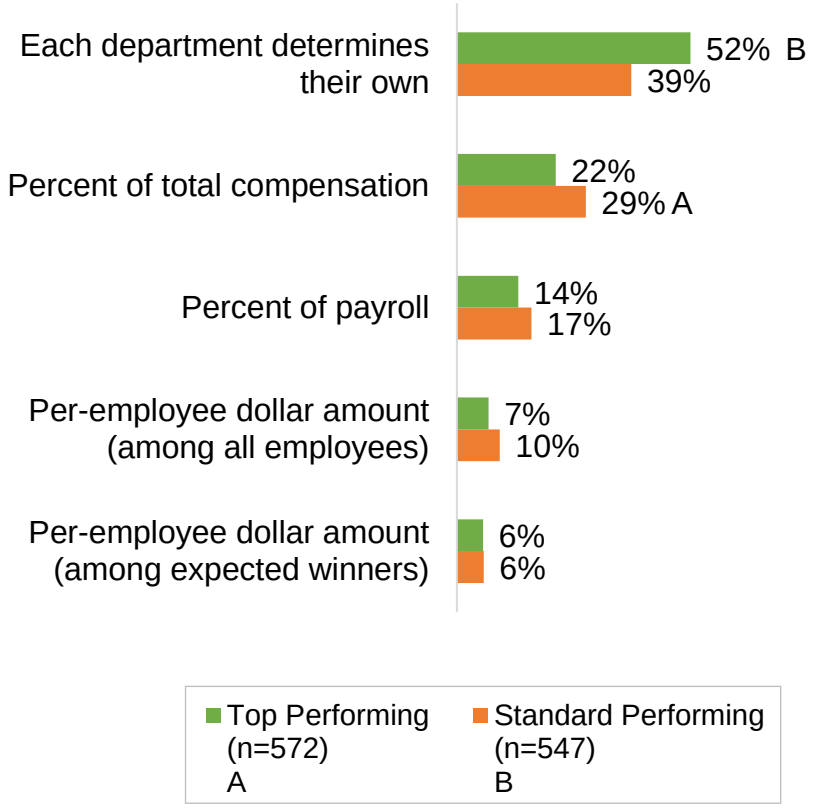
Q14_1: What is the percentage used for this calculation? **Annual spending on non-cash reward and recognition calculated as a percent of payroll/total compensation**



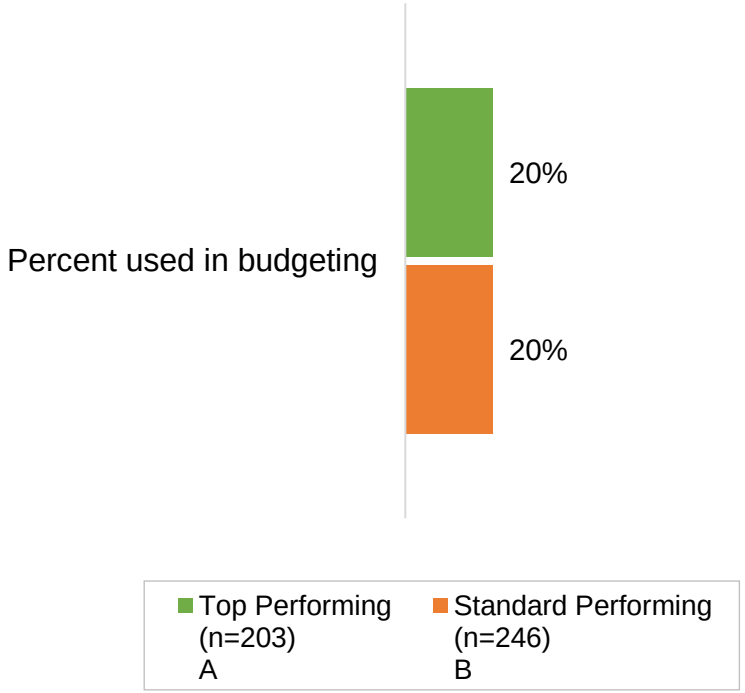
Letters indicate a statistically significant difference between groups at the 95% confidence level.

Sales Organization: Non-Cash Rewards

Q16: How does your sales organization budget the annual spending on non-cash reward and recognition?



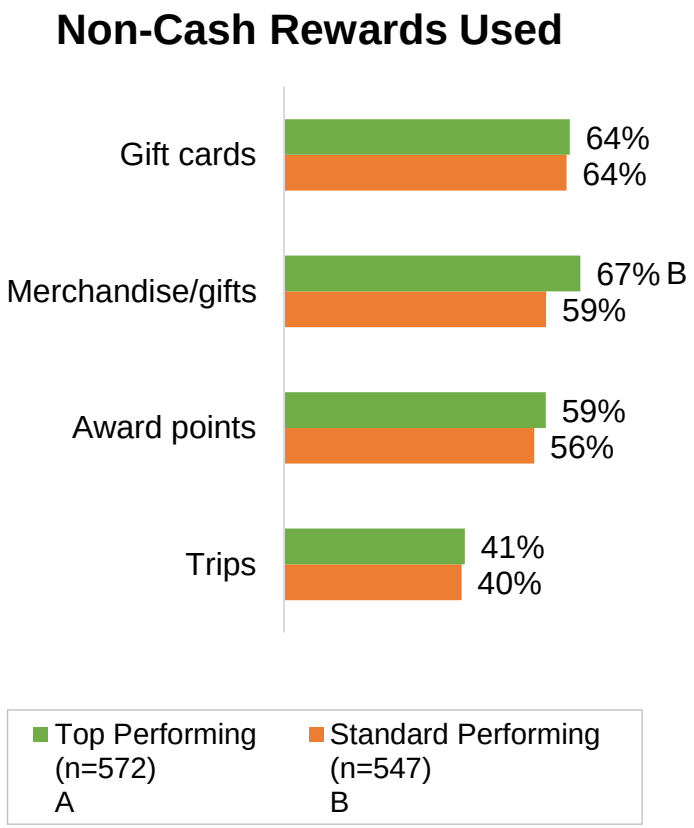
Q17_1: What is the percentage used for this calculation? **Sales organization's annual spending on non-cash reward and recognition calculated as a percent of payroll/total compensation**



Letters indicate a statistically significant difference between groups at the 95% confidence level.

Sales Organization: Non-Cash Rewards

Q17_3: Which of the following do you use as non-cash rewards for your sales employees? Select all that apply.



Letters indicate a statistically significant difference between groups at the 95% confidence level.

Thank You to Our Research Partner

IRF®
Incentive Research Foundation