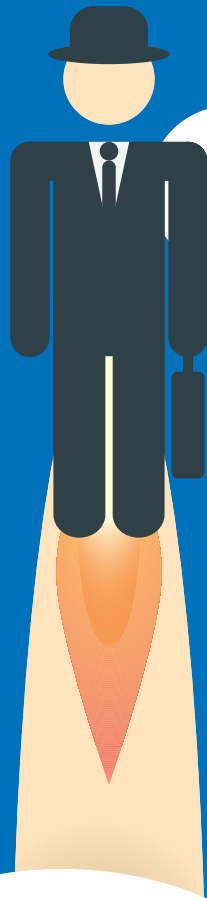


THE REWARDS REPORT



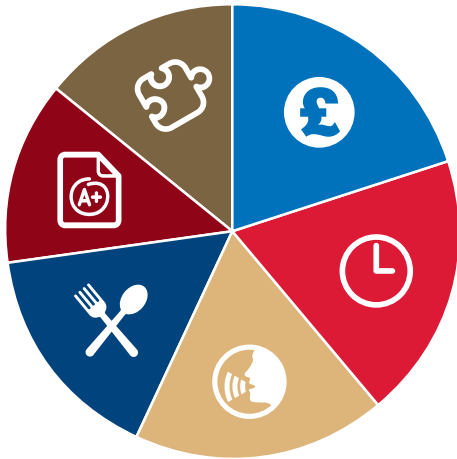
Many businesses reward employees for a job well done, yet with new generations continuing to enter the workforce there's a big question mark over what rewards people want and whether rewards engage and motivate staff at all.

This report explores what's currently happening in the industry, considers what form of recognition employees want, and more importantly what rewards have the biggest impact in the workplace.

THE REWARD LANDSCAPE: WHO'S RECEIVING REWARDS?

This research has explored who in the workplace is receiving rewards taking into account gender, age and location.

1.1 MOST POPULAR REWARDS RECEIVED LAST YEAR WERE:

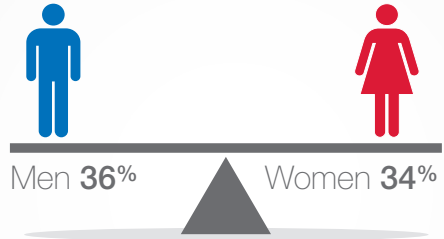


- Cash bonus **20%**
- Overtime pay **19%**
- Regular verbal thank you from manager **18%**
- Meal / night out on the company **16%**
- Training and development to help at work **13%**
- Other **14%**



Two thirds of employees received some form of reward in 2015

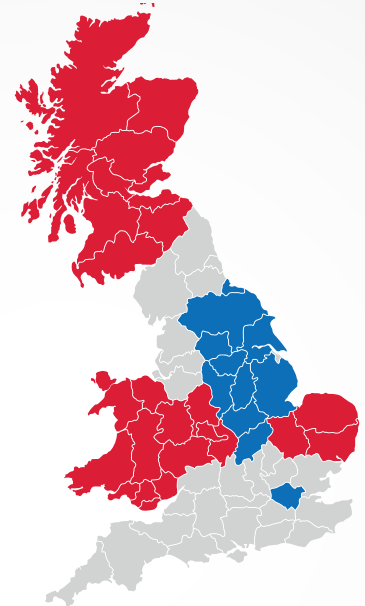
REWARDS GIVEN ARE NOT GENDER BIASED:



A third of men and women both did not receive some form of reward in 2015

1.2

MOST vs LEAST REWARDING AREAS OF THE COUNTRY



% of employees who:

DID receive some form of reward

1. **71%** London
2. **70%** Yorkshire
3. **66%** East Midlands

DID NOT receive some form of reward

1. **43%** Scotland and East Anglia
2. **42%** Wales
3. **41%** West Midlands

TOP 3 REWARDS PER AGE GROUP

18-24

Did not receive a reward **42%**

Verbal thank you from manager **18%**

Cash bonus **14%**

Training to help at work **13%**

25-34

Cash bonus **33%**

Meal / night out on the company **25%**

Voucher to spend on themselves **21%**

35-44

Cash bonus **21%**

Overtime pay **21%**

Verbal thank you from manager **17%**

Meal / night out on the company **17%**

Training to help at work **13%**



45-55

Overtime Pay **22%**

Verbal thank you from manager **20%**

Cash bonus **18%**

55+

Did not receive a reward **48%**

Verbal thank you from manager **18%**

Overtime Pay **16%**

Cash bonus **15%**



Most rewarded age group in 2015:
25-34 and 35-44 year olds

42% OF 18-24 YEAR OLDS DID NOT RECEIVE ANY FORM OF REWARD

DO REWARDS MOTIVATE & ENGAGE?

The research confirms rewards for a job well done has a positive impact on staff motivation; 82% of employees who felt motivated in 2015 received a reward. Most of highly engaged employees also confirmed to receive some form of recognition last year.

However, the research also shows that rewarding disengaged employees will not boost their engagement. Why? Rewards alone will not make an employee engaged.

You need to engage your employees first, then reward them regularly with a thank you to maintain motivation and engagement levels.

**REWARDS SHOULD
BE USED TO
MAINTAIN
MOTIVATION &
ENGAGEMENT LEVELS**

2.1

**DID REWARDS
MOTIVATE STAFF
IN 2015?**

82%



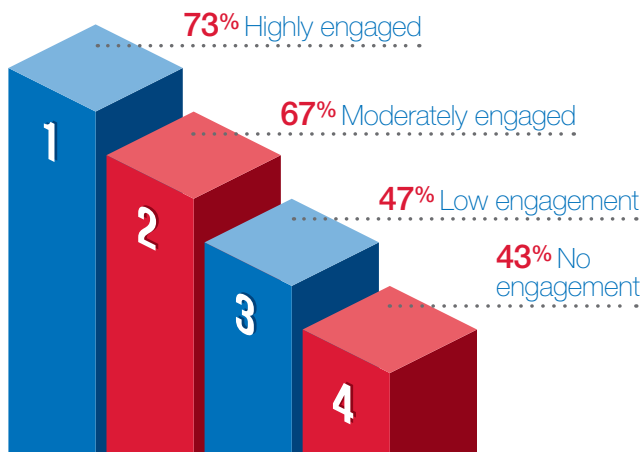
**of employees who
said 'YES' I felt
motivated in 2015,
received some
form of reward or
recognition for a
job well done.**



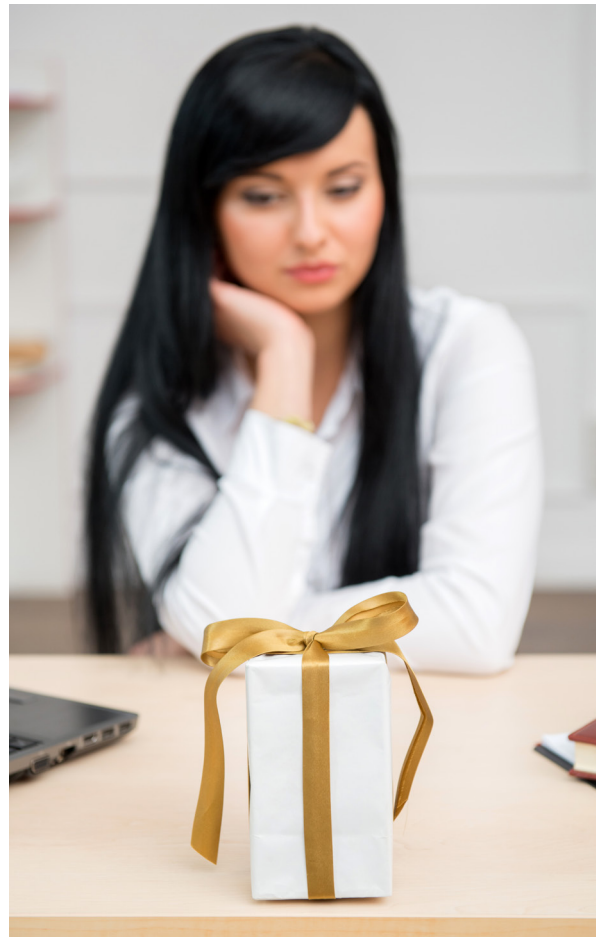
**of staff who
said 'NO' they didn't
feel motivated in
2015, did not receive
some form of reward
or recognition for a
job well done.**

2.2 DID REWARDS ENGAGE STAFF IN 2015?

Rewards received in terms of engagement (% of employees who did receive some form of reward in 2015)



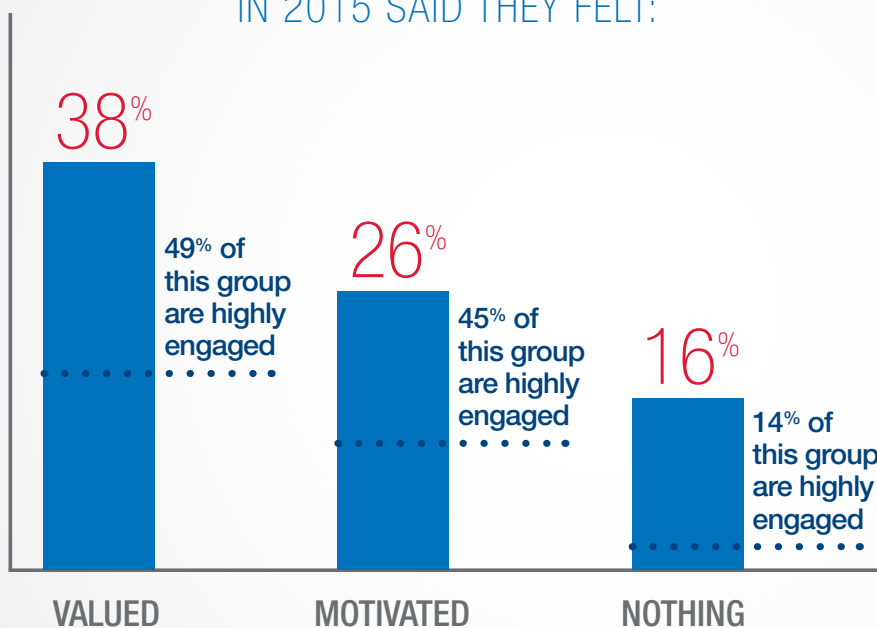
The results are not rocket science – the more engaged an employee is, the more rewards they receive.



Rewarding disengaged people will not make them engaged

2.3

EMPLOYEES THAT WERE REWARDED IN 2015 SAID THEY FELT:



This clearly shows that rewards work effectively on engaged employees. However, disengaged employees feel 'nothing' when they are rewarded.

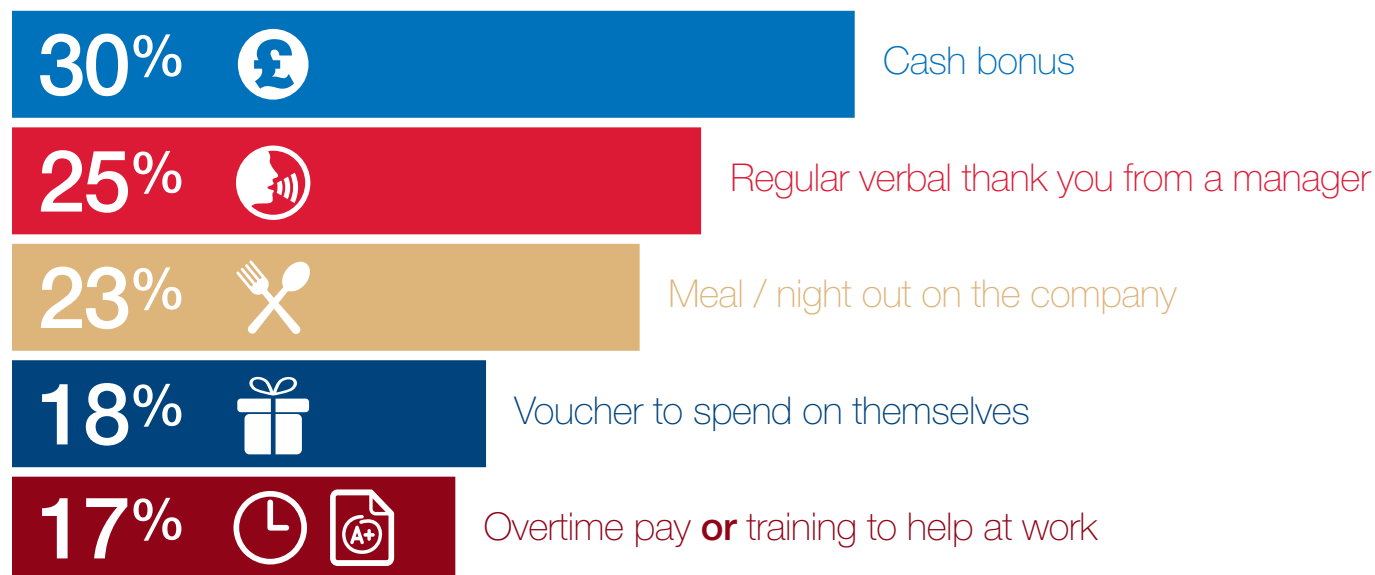
THE MOST EFFECTIVE REWARDS

Now that we know rewards **do** motivate and engage employees, it's important to understand what kind of recognition has the most impact.

Despite many employees saying they want a 'cash bonus' from their employer, the next item employees said they wanted was 'a verbal thank you from their manager'. Appreciation for working hard also ranked highly when people were asked what they wanted from their employer in 2016; a third said they wanted to be "rewarded and recognised for their work."

Diverse workforces have started to change how we consider what rewards to give our staff. Because of this gift vouchers that enable employees to spend their money in a variety of retailers have become more and more popular. 'A voucher to spend on themselves' was ranked in the top five rewards highly engaged employees received last year, and a fifth of staff said a voucher was a reward they wanted from their employer in 2016.

3.1 EFFECTIVE REWARDS: TOP REWARDS HIGHLY ENGAGED EMPLOYEES RECEIVED IN 2015:



3.2 REWARDS EMPLOYEES WANT FROM THEIR EMPLOYER - PER AGE GROUP
(TOP 3 PER AGE GROUP)

18-24

Cash Bonus **40%**
Overtime pay **21%**
Verbal thank you from a manager **19%**

45-55

Cash Bonus **48%**
Verbal thank you from a manager **25%**
Overtime pay **24%**

25-34

Cash Bonus **51%**
Voucher to spend on themselves **28%**
Meal / night out on the company **25%**

55+

Cash Bonus **41%**
Verbal thank you from a manager **22%**
Overtime pay **18%**

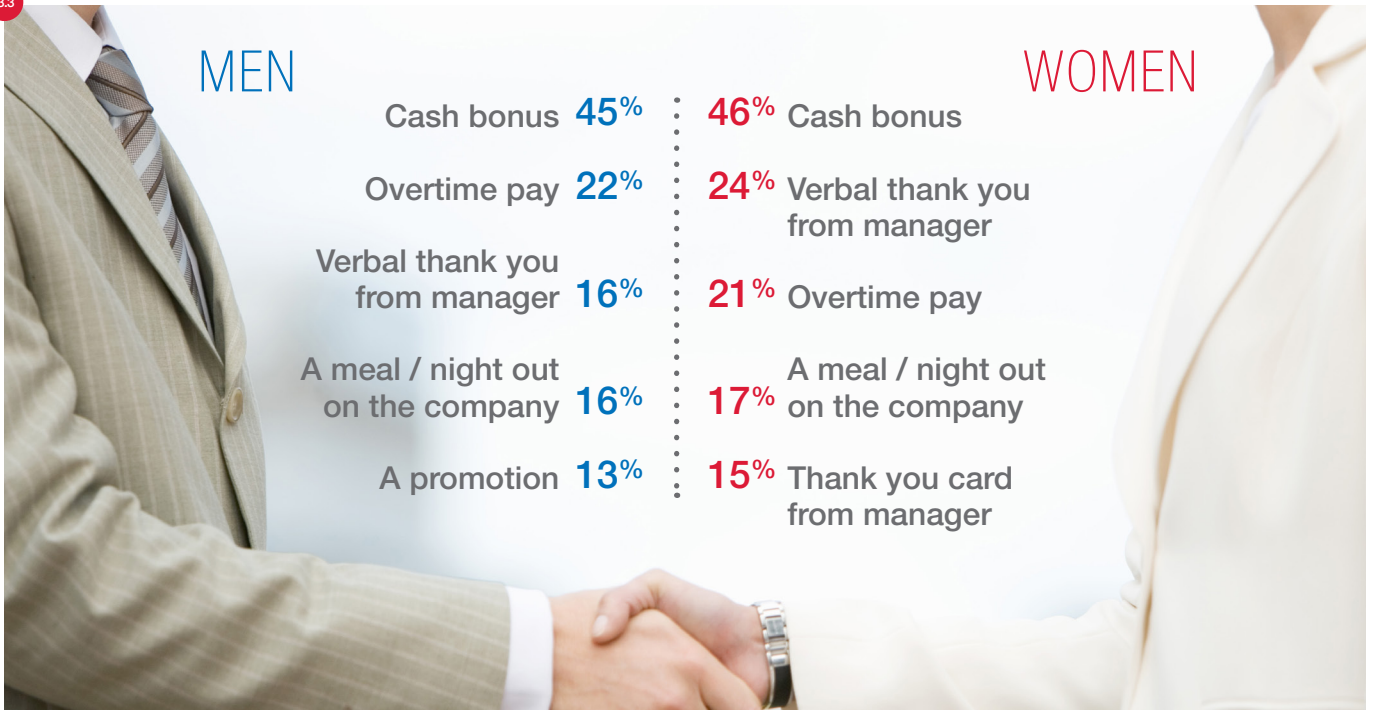
35-44

Cash Bonus **47%**
Overtime pay **24%**
Voucher to spend on themselves **20%**

MANY EMPLOYEES WOULD LIKE A SIMPLE THANK YOU FROM THEIR MANAGER

It's important we consider gender when looking at rewards for our workforce too. Being appreciated for their hard-work with a thank you from a manager ranked more highly with women, than it did men.

3.3



REWARD CONCLUSION: WHO, WHEN, WHAT & HOW?

The research has confirmed that rewards are important in the workplace to keep teams motivated, driven, happy and engaged. However, it also shows that we cannot rely on rewards alone to engage our staff. We need to look at disengaged employees on a case-by-case basis to get them excited and involved in their role again.

When people are working hard it's important we show them appreciation for their output. Despite 'cash bonuses' being ranked highly in what rewards employees want to see, so was 'a verbal thank you from a manager'. It's easy to get caught up in monetary incentives to motivate staff, however a simple thank you actually goes a very long way – and costs nothing!

Meaningful rewards have a longer lasting effect than an extra boost in a pay packet. People don't like to talk about cash, however rewards such as a night out or a voucher will get your employees talking about their prize, pre, during and post using it. This communication to their peers will not only make the benefit of the reward last longer, but will motivate peers to do a good job too.

Finally, don't forget to celebrate awards. The communication surrounding a reward can have a detrimental impact on how it is received. A face-to-face thank you and handshake from a manager in front of peers will feel much more special to the employee than a note in a pay cheque. It also generates a buzz in the workplace and will give peers something to strive towards.

ABOUT THE SURVEY

This survey was conducted among 2,006 British employees during December 2015. The survey was run by an independent research agency. The research questions and report were compiled by an independent writer and published in March 2016.

To request copies or to find out more about the survey please contact: corporate@redletterdays.co.uk

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