



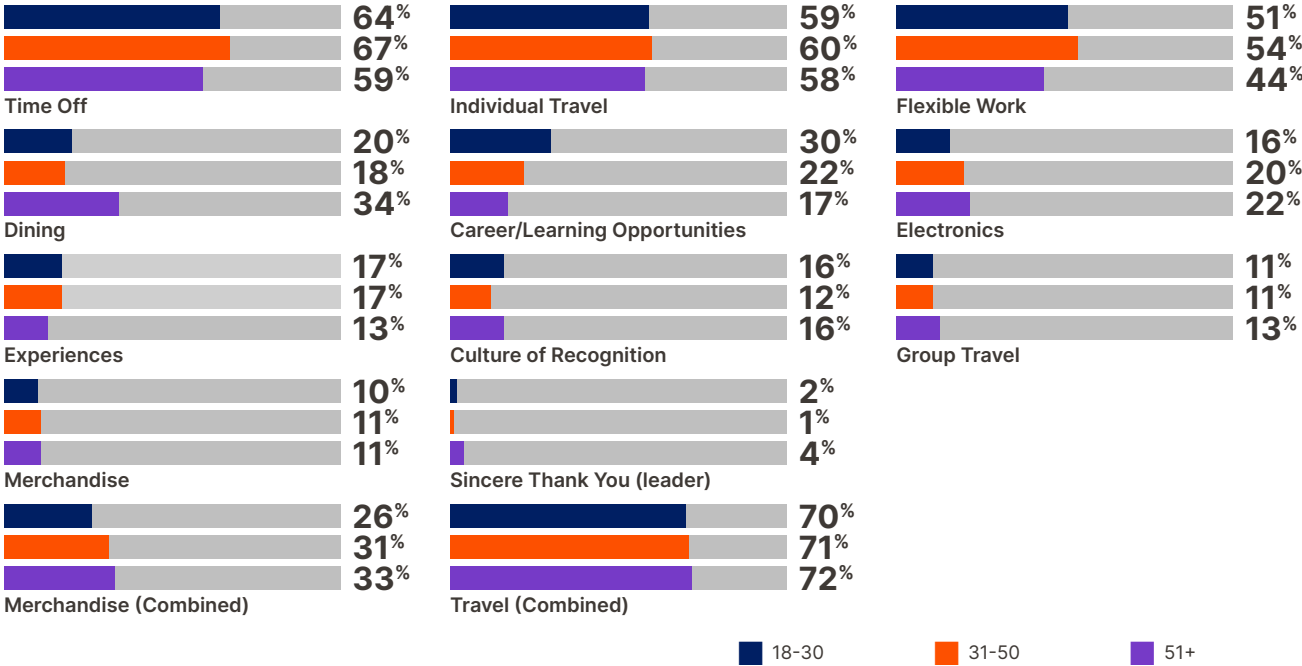
# **GENERATIONAL EXPECTATIONS OF INCENTIVES**

## **Effective Rewards for a Rapidly Changing Workforce**

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Nevertheless, flexible work arrangements remain a powerful incentive to attract and retain talent. Two-thirds of our respondents prefer the ability to work remotely 2-3 days per week over more career and learning opportunities (across age groups), for example. But leaders who hope to entice more workers back to the office for at least part of the week, might consider travel as an incentive, especially as 63% of respondents prefer fully remote work to hybrid work arrangements. Cash bonuses might also work. Among those earning \$25,000 or more per year, at least 60% of our respondents would choose a 10% bonus over the opportunity to work remotely 2-3 days per week, and 84% would choose a 10% cash bonus over more career and learning opportunities (though this drops to 76% for those 30 and under).

**Figure 3: Most Preferred Non-Cash/Non-Gift Card Rewards**

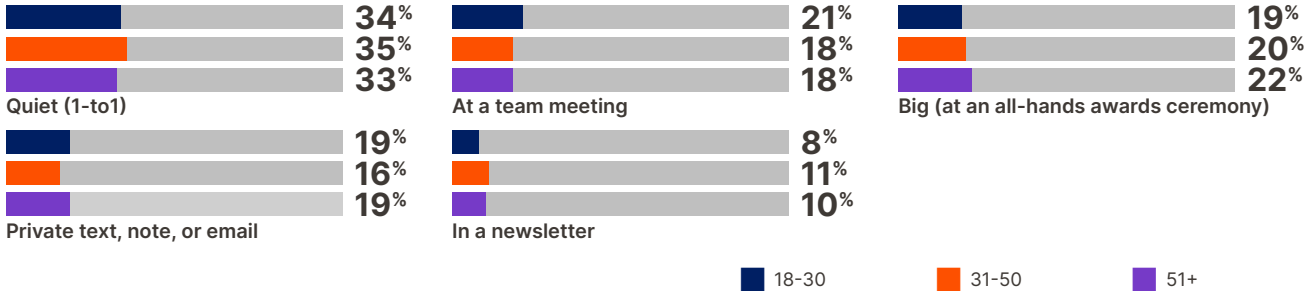


*Q. Please select your **top three most preferred** types of reward overall (each of equivalent value where applicable). Again, please think about what would most motivate you to stay with your organization and perform at your best.*

Survey respondents across all age groups report a strong preference for rewards tied to individual performance over team rewards. That employees show a strong preference for rewards that are contingent on more controllable dimensions of performance is also a common finding in prior research.

Notably, late career workers express a slightly greater preference for 'big show' recognition in front of as many witnesses as possible, but the 'big show' is also the second highest-rated preference among early and mid career workers.

Figure 6: Recognition Preferences



Q: Which of the following forms of recognition would you be most receptive to?

No matter their age group, workers express either a strong preference for 'quiet' recognition (one-to-one with their manager), or a 'big show' in front of the entire company. No clear preference emerges based across age groups.

Incentive Travel as a Motivator

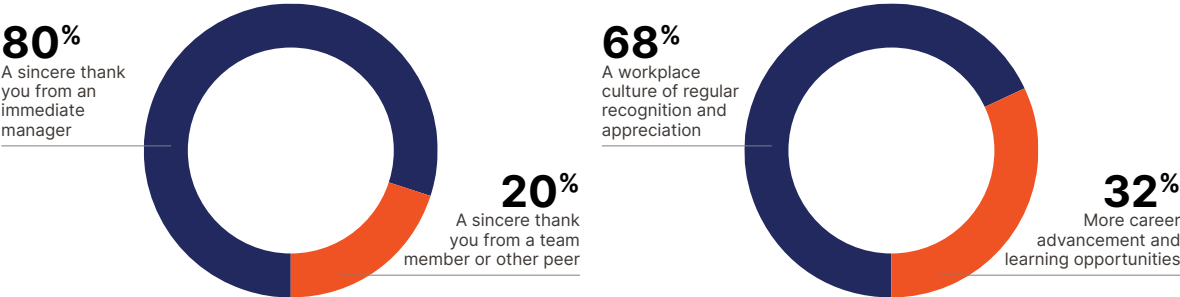
Our survey results are consistent with past studies that show travel rewards are among the most coveted, alongside cash and gift cards. Our results demonstrate that this is true across all age groups, but especially among early career workers and those with higher incomes.

Our survey respondents, however, express a clear and strong preference for individual reward travel over group reward travel (see Figure 3). Yet group travel delivers important benefits to reward earners and their organizations, many of which cannot be realized through individual travel. When top performers and executives travel together, for example, ideas are shared, relationships are built, and in some cases, careers are made, though these benefits are less likely to be salient to respondents.

A deeper understanding of why workers prefer individual travel and what they like and dislike about group travel, will help incentive group travel reward designers to create more compelling group travel experiences that might attract and motivate more workers. Survey respondents report a preference for Hawaii, Western Europe and domestic locations that require a flight (except for those aged 51+ whose second choice, after Hawaii, is a domestic drivable location) (Figure 4).

Other notable results include the strong preference respondents had for receiving sincere recognition from an immediate manager (80%) versus a fellow team member or peer (20%). And more than two-thirds prefer working in a workplace culture of regular recognition versus one where there are more career advancement and learning opportunities (Figure 9).

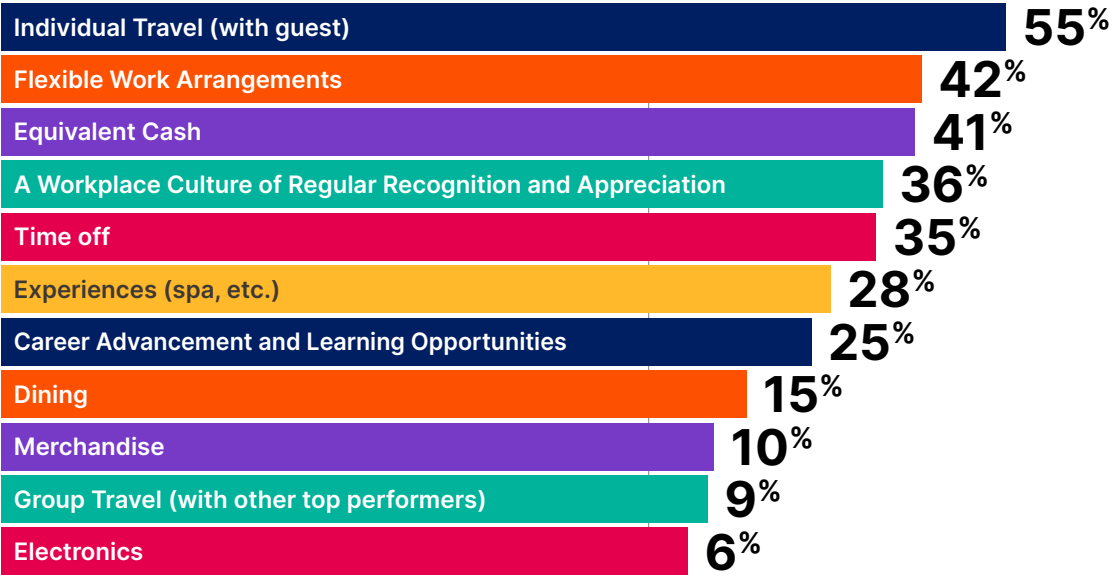
**Figure 9: Recognition Results - Early Career Workers**



Q. What would most motivate you to stay with the organization and perform at your best?

We again asked about rewards that would motivate respondents to stay with their company. Individual travel with a partner/friend was by far preferred (55%) compared to group travel with colleagues and other top performing individuals in the office (8%). Respondents continued to value cash (41%), and somewhat related to time off, valued a flexible or hybrid work arrangement (42%).

**Figure 10: Motivation for Staying With an Organization - Early Career Workers**



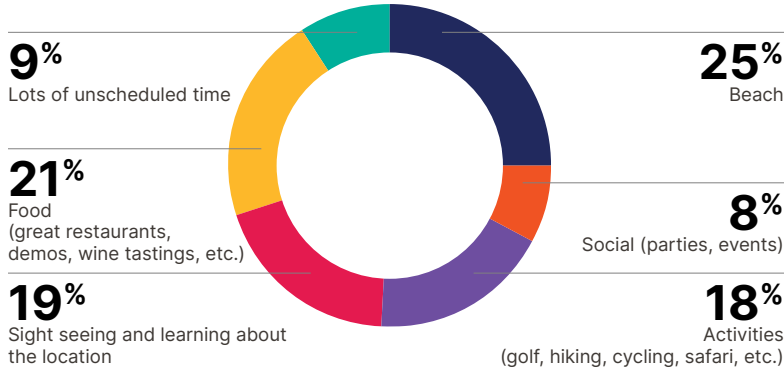
Q. What would most motivate you to stay with the organization and perform at your best?

Investigating the preference for travel further, we observed some important preferences in terms of location and nature of trip:

- Individual trip to an exotic place with a friend/significant other (73%) over a group trip to an exotic place with a friend/significant other and other high company performers (27%).
- A relaxing beach-oriented trip (64%) over an activity-oriented trip (e.g., golfing, hiking, cycling,) (36%); A relaxing beach-oriented trip (74%) over a socially-oriented trip (e.g., parties, events) (26%); An activity-oriented trip (e.g., golfing, hiking, cycling,) (55%) over a socially-oriented trip (e.g., parties, events) (45%).
- Consistent with the previous results, a calm trip (74%) to a busy trip (26%).

Figure 11 presents results from the single most preferred component of the travel reward, which is a beach (25%), food (21%), and sight seeing (19%). Figure 12 presents preferred locations, which are western Europe (33%), Hawaii (29%), and South Asia (23%), slightly different than in our primary survey.

**Figure 11: Preferred Travel Component - Early Career Workers**



Q. Please select your single most preferred component or element of a travel reward.

## Appendix A: Further Description of Research Methods

We conducted two surveys. Our primary survey includes responses from 939 North American workers, whereby 230 are early career; 499 are mid career; and 205 are late career. More than 95% of respondents are employed full-time and the average respondent has more than 10 years of work experience. Respondents represent a variety of industries and over 25 occupational categories such as administrative, professional, and blue collar. Fifty percent of respondents earn between \$25,000-\$75,000 annually and more than 10% earn \$100,000 or more. Ninety one percent of respondents have received at least one cash or non-cash tangible reward at work in their career, including cash bonuses, gift cards, merchandise, and time off.

Our secondary survey is of 69 early career workers currently enrolled as students at two North American universities. Almost all respondents had at least one year of full-time work experience. Respondents' work experience represents a variety of industries, but nearly 75% worked in either sales or accounting.