

# STATE OF EMPLOYEE REWARDS & RECOGNITION

## Employee Perspectives: Effective And Efficient HR Rewards & Recognition

April 2023



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# Background and methodology

In March 2023 Runa conducted a research study to understand employee rewards & recognition preferences, and to learn about what keeps employees engaged and motivated. The study was conducted among 688 full or part time employees in Germany, UK and US.

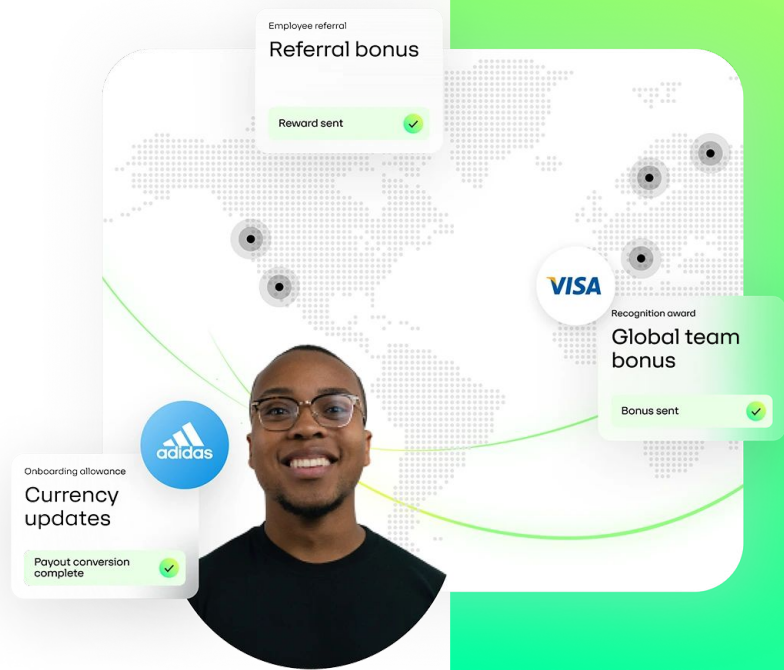


# Close the employer-employee gap:

## Align HR Reward & Recognition programs with employee preferences

Organizations implement employee reward and recognition programs for various reasons: to raise employee morale, attract and retain key employees, drive productivity, improve quality, and improve employee wellness, among others.

HR leaders and managers need to be more creative in delivering better, faster and more integrated rewards experiences to their employees. Rewards are important considerations in employees' decision to stay with their employer, so investing in a robust employee recognition program can drive retention.



# Key findings



## Holidays and achievement of goals are the most rewarded occasions

Holidays (**45%**) and performance (**39%**) are the most popular occasions for employers to reward their employees.



## Rewards are typically given a few times a year, usually quarterly or annually

Frequency of rewards aligns with reasons for the reward i.e holidays or meeting performance goals.



## Rewards are important in employees' decision to stay with their employer

Nearly two-thirds (**65%**) of employees think rewards play a role in their decision to stay with their employer.



## Gift cards are the preferred reward type among employees

Gift cards together make up a large proportion of reward types with 61% choosing them as a preferred choice from employers.



## Employees show low satisfaction with types of reward and how they are administered

Only **30%** of the employees surveyed express complete satisfaction with the type of rewards and how they are administered.

# What does this mean?

## Your Rewards & Recognition program makes a meaningful difference in employee retention



### Maximize your recognition program with rewards that employees actually want

Rewards are usually given out quarterly or annually during holidays or to recognize good performance.

Flexibility to redeem the rewards (49%) when and where they want is important for employees. Building an employee recognition program that acknowledges the employees choice is important to show appreciation and ultimately to help with employee engagement.



### Digital gift cards are an effective reward

Over 6 in 10 employees (61%) mention a gift card as their preferred reward type.

Employers have an opportunity to influence employee satisfaction and engagement by using gift cards as rewards. While company swag is often a go to choice, employees may find it cheap or impersonal. Gift cards are not only preferred by employees, but can also simplify management of recognition programs for employers.



### Employees are apathetic about the rewards they are currently receiving

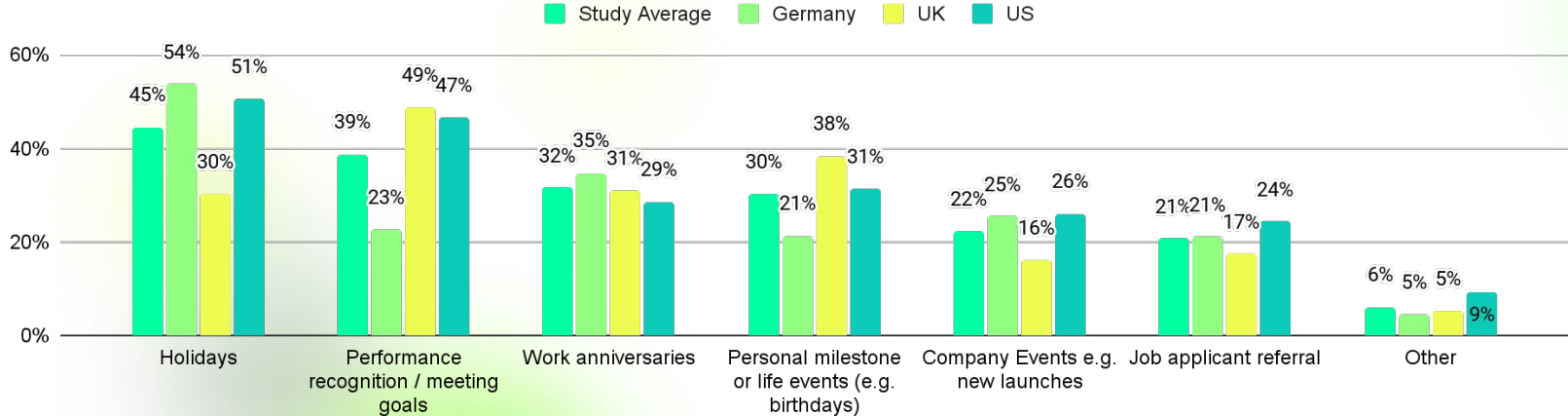
Program administrators need to look at upgrading their rewards programs to meet the evolving demands of their recipients.

Enthusiasm for the rewards employees are receiving is low. Only 30% are completely satisfied with rewards they are receiving at work. Offering more choice and flexibility in rewards can help improve employee satisfaction.

# Holidays and meeting performance goals are the most rewarded occasions

- **Holidays (45%)** are the most popular occasion for employers to reward their employees.
- Especially in Germany, **54% find that holidays** are when they commonly receive rewards.
- In the UK, **recognizing performance & meeting goals (49%)** is the top reason to reward employees
- In the US **Holidays (51%) and performance (47%)** are the top reasons to send rewards.

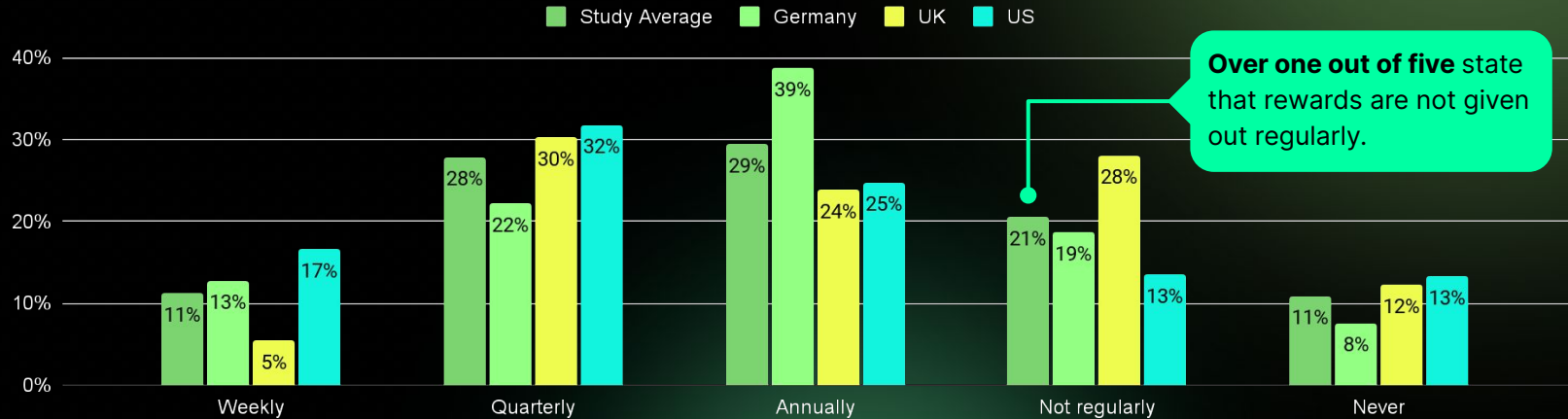
Employees receive rewards to mark holidays or when they achieve a goal



# Rewards frequency centers around annual holidays and quarterly performance incentives

- In Germany, **annual rewards (39%)** are most common, whereas in the UK and US, **quarterly frequency** is more common, with 30% and 32%, respectively.
- In the UK nearly a **third (28%)** mention that there is no regular frequency to receiving rewards.

## Employees find that there is no regular frequency of rewards

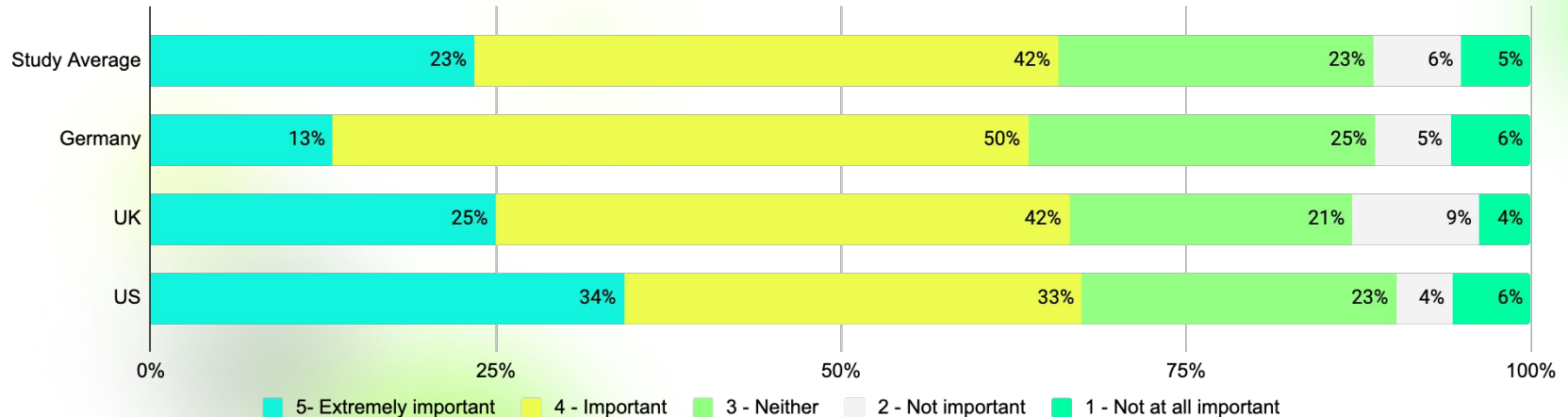




# Nearly two-thirds of employees say rewards are important in their decision to stay with an employer

Employees agree that rewards are an important part of their decision to stay with an employer

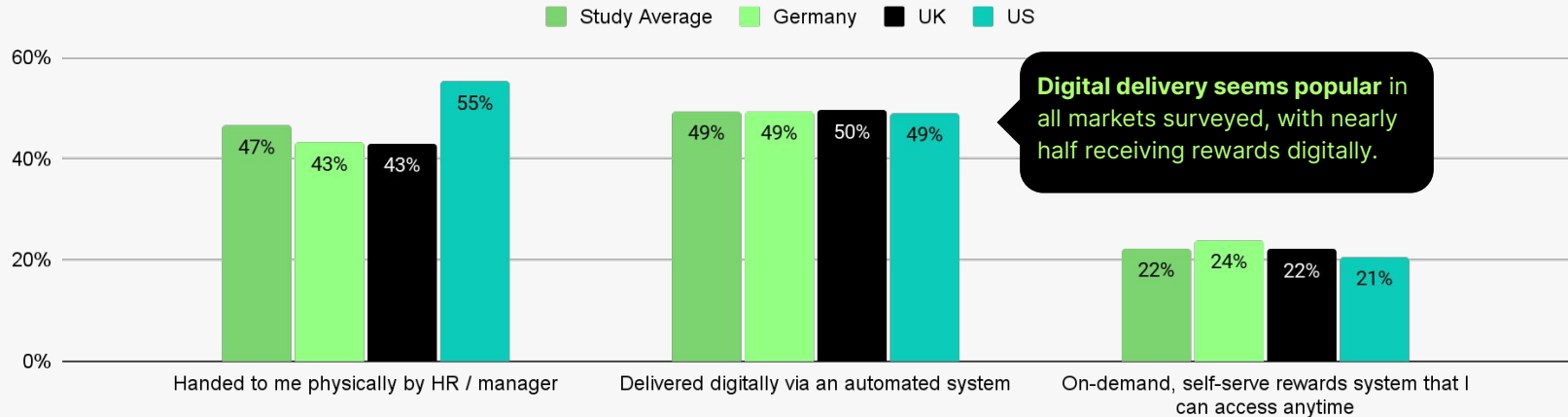
- Across markets, about a **third** say they consider recognition & rewards unimportant in their decision to stay with an employer.
- An overwhelming **majority of employees think recognition & rewards** are pretty important in their decision to stay with a company.



# Nearly half of employee rewards are still physically delivered rather than digitally

- In the US, **more than half (55%)** have received a reward physically from their manager or HR.
- **Self-serve rewards**, while not the most popular form, still make up a sizeable proportion of delivery methods. Nearly a quarter of employees have the ability to access self-serve rewards systems.

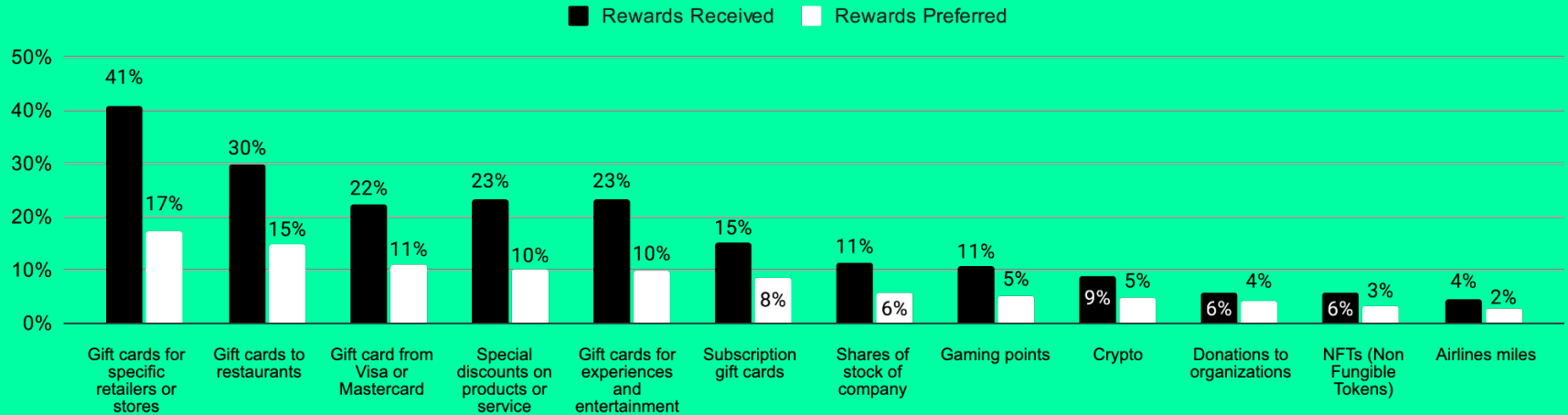
## Employees prefer digital rewards



# Closed-loop gift cards are the most preferred reward type

- **Gift cards** are preferred by 61%.
- **Closed-loop gift cards** for specific retailers and restaurants are preferred over Visa or Mastercard open-loop cards.
- **Product discounts and gift cards** for experiences are ranked higher than other reward types.

Employees prefer gift card rewards

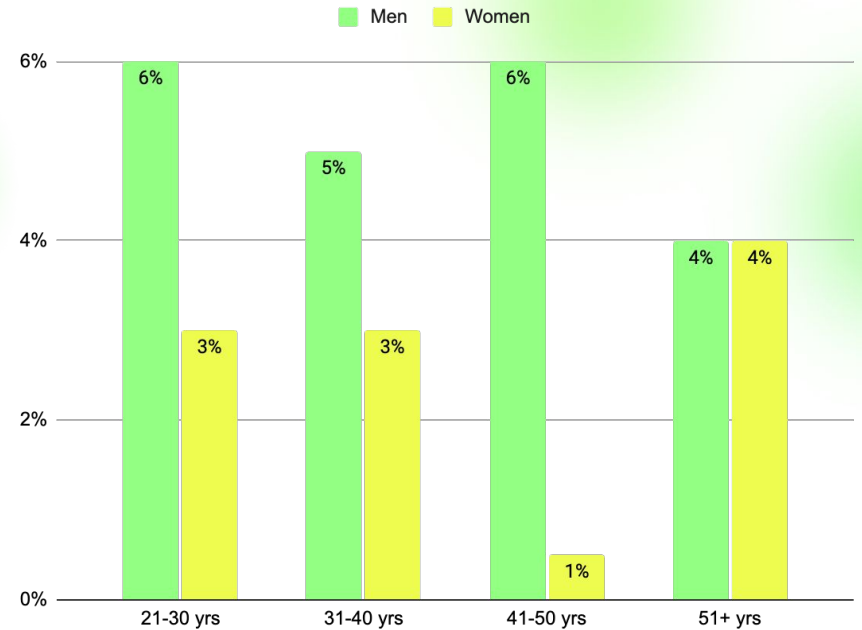


# Non-traditional rewards such as Crypto (5%) and NFTs (3%) are gaining traction

In the case of Crypto, men across all ages show more interest in Crypto rewards compared to women.

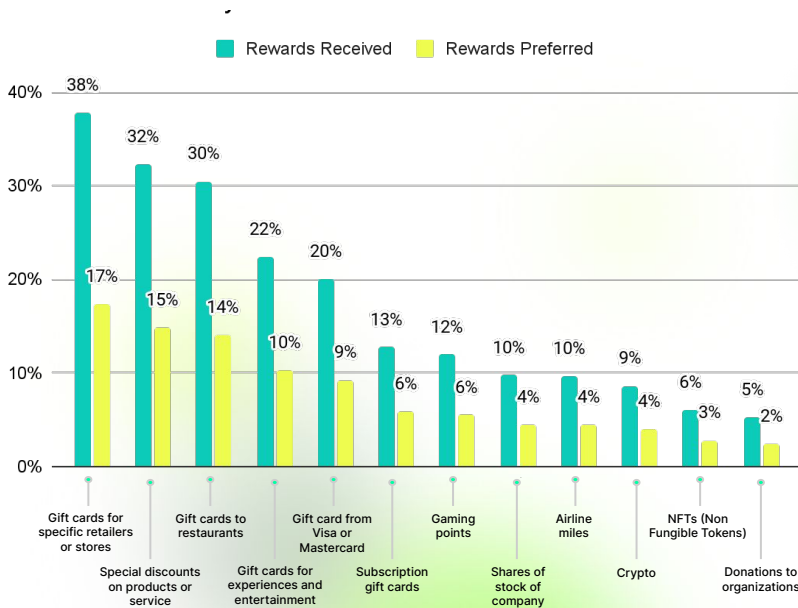


Male employees show more interest in crypto rewards than women



# Gift cards are the most popular reward type across all regions

## Employees prefer gift cards for retailers, restaurants and discounts



## In Germany

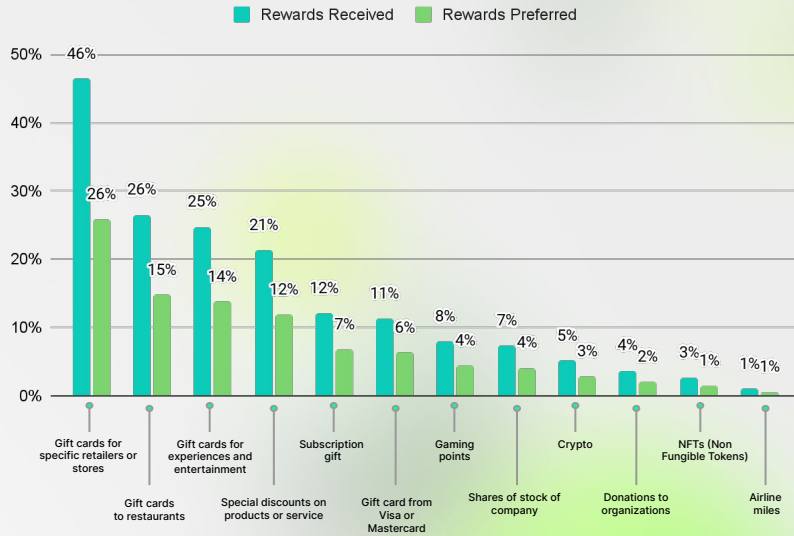
- Closed loop gift cards (17%) are the top preference
- Followed by discounts on products (15%).



## In the UK

- Over a quarter of employees prefer a closed loop gift card (26%)
- Gift cards to restaurants (15%) being a distant second.

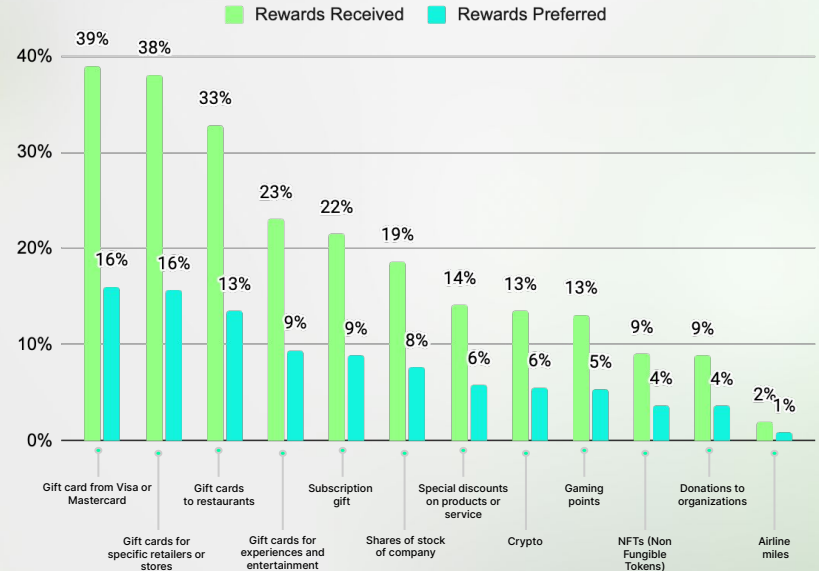
### Employees prefer gift card rewards for retailers, restaurants and entertainment



## In the US

- Closed or open loop gift cards are preferred the most, with each at 16%.
- It is also interesting to note that employees are more open to other types of rewards such as Stocks (8%) or Crypto (6%) compared to the other markets surveyed.

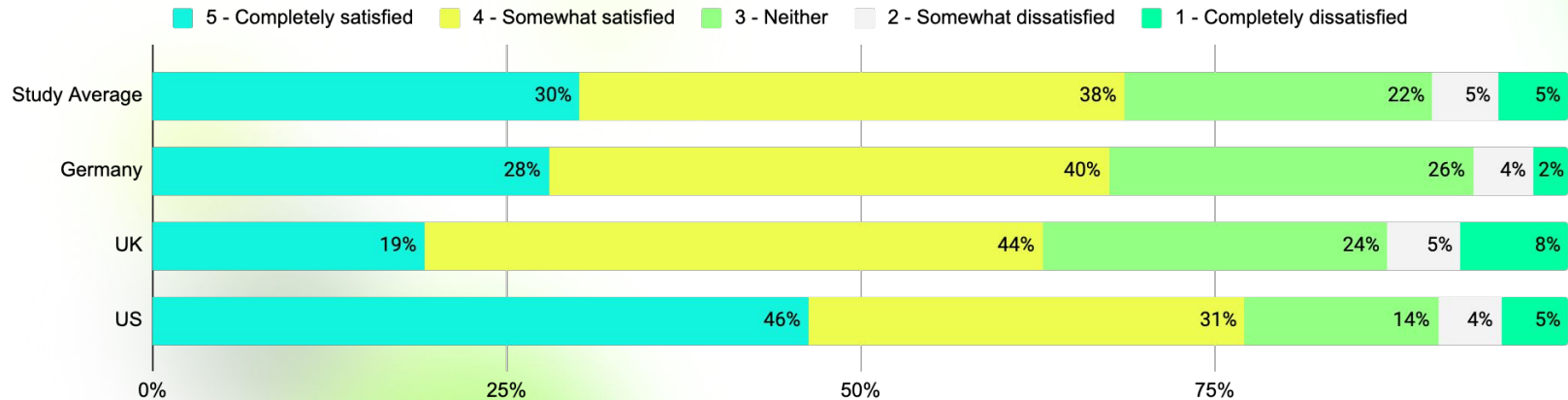
### Employees prefer open and closed loop gift cards as rewards



# Employees show low satisfaction with the type of rewards they receive and how they are administered

A minority of employees are completely satisfied current reward programs

- **Only one in three employees are satisfied** with the type of rewards they receive and how they are administered.
- This is especially true among employees in the UK (19%) and Germany (28%). Employees in the US (46%) are more satisfied compared to the other markets, but **less than half say they are completely satisfied**.
- Almost 50% of employee rewards are still distributed physically rather than digitally. Additionally, there is a **disparity between the type of reward being provided and what employees prefer**, with gift cards being the predominant option.



# Flexibility of reward redemption is crucial

- **49% say that flexibility to redeem rewards** when they want is a key reason to choose a certain reward type.
- **Gift cards provide that flexibility** which is why they are such a popular type of reward.
- This is especially true in the **UK (49%) and US (62%)**.

Employees prefer rewards they can redeem whenever they want





# Want to learn more?

Runa works with leading HR platforms to elevate and optimize their Rewards & Recognition programs.

[Get in touch](#) to talk to an expert or [get started](#) for free today.

# About Runa

Runa is a digital value infrastructure and network that enables people to pay and get paid by anyone, anywhere, instantly. The Runa network reaches more than 1 billion people and instantly connects merchants, organizations, and individuals for fast, affordable, effortless, and data-rich payouts in more than 30 countries and 20 currencies.

Organizations of all types rely on Runa's infrastructure to power the movement of digital value and better serve their constituents. Runa provides direct connections to its network partners, enabling value to move more efficiently and economically than legacy solutions. Thousands of the world's top brands use Runa to reward, incentivize, and disburse funds.

Runa is headquartered in London with a globally distributed team. Our investors include Element Ventures, CommerzVentures, Clocktower Ventures, Volution Capital, AlbionVC, and SAP

