

FULL REPORT

NOVEMBER 2021

BONUS PROGRAMS AND PRACTICES



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ABOUT WORLDATEWORK

WorldatWork is the leading global nonprofit organization for professionals engaged in the critically important practice of Total Rewards. We serve those who are responsible for cultivating inspired, engaged, productive, and committed workers in effective and rewarding workplaces. We guide them in the design and delivery of Total Reward programs with our education and certification; idea exchange; thought leadership; knowledge creation; information sharing; research; advocacy; and networking.

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OUR METHODOLOGY

WorldatWork conducted a survey to learn more about bonus program and practice initiatives in organizations.

A total of 957 responses were received, representing U.S. organizations of different sizes and across multiple industries. Email invitations were sent directly to participants on 08/23/2021 and results were collected over a 15-day period. Sample sizes vary by question.



KEY FINDINGS



KEY FINDING

NO. 1

BONUS PROGRAM USAGE AND CONSIDERATION ON THE RISE

Considering the four types of bonus programs: sign-on, referral, spot and retention, 38% of organizations use all four types. Overall, the trend is increasing among use of all four bonus types, and of those without a program currently implemented, consideration is also growing.

ALSO OF NOTE:

- Most organizations are not measuring the effectiveness of their bonus programs, but of those that are measuring, referral bonus programs are the most likely at 19%, with 30% considering.



KEY FINDING

NO. 2

SIGN-ON BONUSES ARE THE MOST PREVALENT OF THE FOUR TYPES, AND ROUGHLY HALF HAVE INCREASED THE NUMBER AWARDED IN THE PAST 12 MONTHS

Over half of employers offer an additional sign-on bonus amount for hot/hard-to-fill/critical roles with another 21% considering it, which speaks to the war for talent and is further highlighted by the 52% of organizations increasing the number of sign-on bonuses awarded in the past 12 months.

ALSO OF NOTE:

- 38% of organizations split the sign-on payout over time, and 75% of organizations follow through with forfeiture or payback collection.



KEY FINDING

NO. 3

REFERRAL BONUSES JUMPED 10% IN USE, THE GREATEST INCREASE AMONG ALL FOUR BONUS TYPES

Executives are typically not eligible for referral bonuses, and also 51% of organizations exclude HR employees. Practices are also starting to emerge for bonus eligibility outside of employees (e.g., company alumni, investors).

ALSO OF NOTE:

- About 1/3 of organizations offer a higher referral bonus for hot/hard-to-fill/critical positions, with 13% considering adopting this practice. Interestingly, while only 2% of organizations offer a higher referral bonus for candidates from under-represented groups, 12% are considering adopting this new practice.
- Very few organizations are offering non-cash referral bonus awards (e.g., company stock, charitable donations, experience).



KEY FINDING

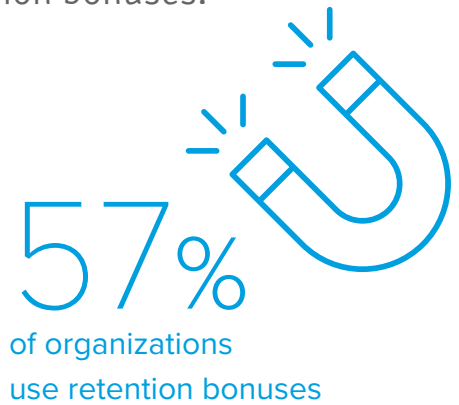
NO. 4

NUMBER OF RETENTION BONUSES AWARDED INCREASED BY ALMOST HALF

Retention bonus program considerations are at an all-time high at 22%, more than double since 2016 (10%). In the past 12 months, 49% of organizations have increased the number of retention bonuses awarded and 30% have increased the amount of the retention bonuses.

ALSO OF NOTE:

- Only 28% of organizations have formal defined retention bonus criteria and rules/guidelines, with most (72%) reporting programs based on management discretion.
- Not surprisingly, the 13% of organizations measuring the effectiveness of their retention bonus programs all measure retention/turnover.



KEY FINDING

NO. 5

SPOT BONUSES ARE MOST AWARDED FOR ABOVE AND BEYOND PERFORMANCE AND SPECIAL RECOGNITION

The use of spot bonuses remained stable since 2014; however, the consideration of adding this program has been increasing for the past several years. Of the 7% of organizations measuring program effectiveness, 81% of those organizations are measuring by employee perception/satisfaction and 74% by performance.

ALSO OF NOTE:

- More organizations are sometimes in the practice of “grossing up” the award to cover tax liability, depending on the size and type of spot award, a 9% increase since 2016.



RESULTS

ALL BONUS TYPES



BONUS PROGRAM IN USE

QUESTION

Please select the bonus program(s) that your organization currently uses.

RESULTS

	2001	2005	2008	2010	2014	2016	2021
n=	133	477	240	1,023	713	673	957
Sign-on	62%	54%	58%	54%	74%	76%	79%
Referral	70%	56%	66%	60%	63%	65%	75%
Spot	53%	47%	49%	43%	60%	61%	61%
Retention	34%	26%	30%	25%	51%	55%	57%
We do not use any of these bonus programs	New option in 2010			15%	9%	10%	7%



NUMBER OF BONUS PROGRAMS IN USE

RESULTS

	2010	2014	2016	2021
One	40%	16%	13%	13%
Two	31%	24%	21%	20%
Three	21%	31%	34%	29%
Four	9%	29%	32%	38%

Nearly four in 10 organizations are using all four bonus types.



BONUS PROGRAM CONSIDERATION

QUESTION

Is your organization considering implementing any of these bonus programs? Please select all that apply.

Participants selecting no bonus programs currently in use at their organization received this question.

The majority of organizations without bonus programs do not have plans to implement them.

RESULTS

Sign-on	12%
Referral	14%
Spot	21%
Retention	12%
None of these	67%

n=66



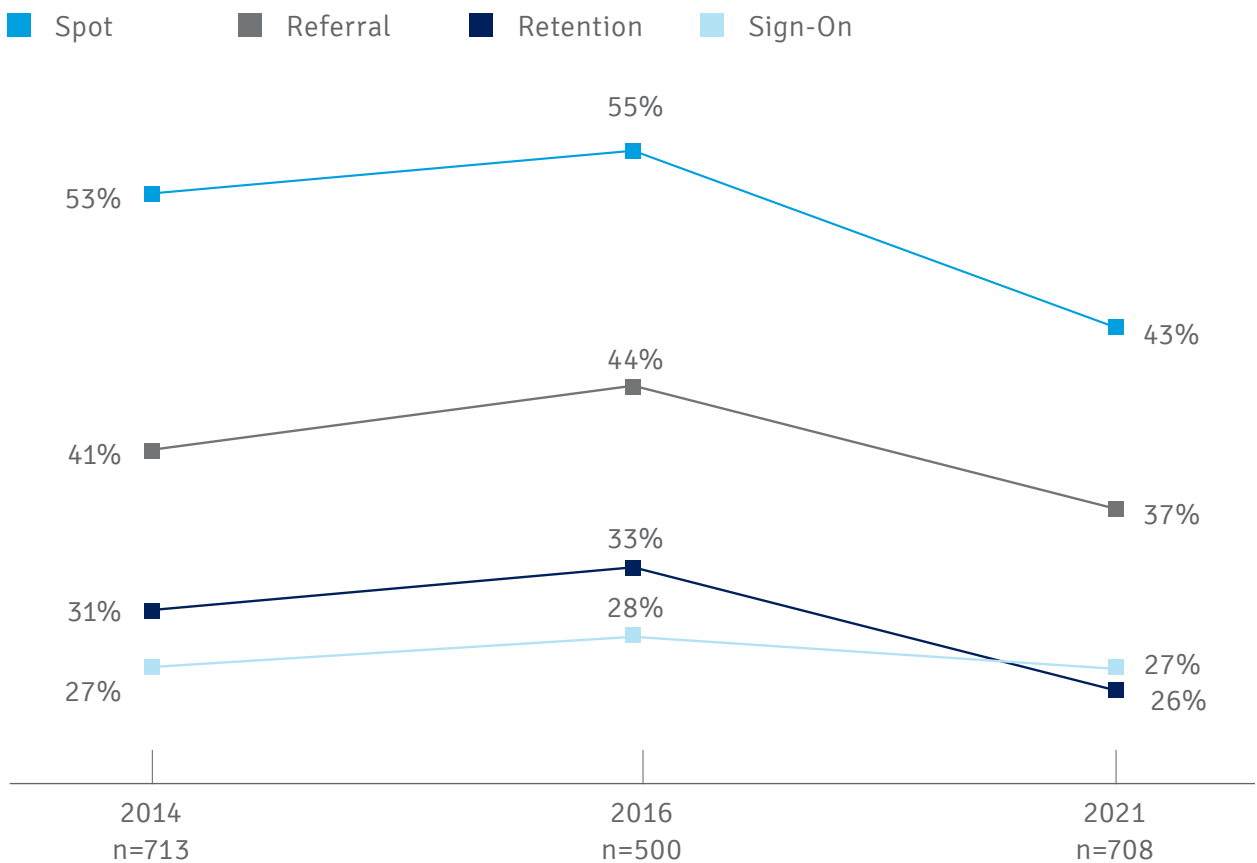
BUDGETING FOR BONUS PROGRAMS

QUESTION

Does your organization budget for this specific type of bonus?

Participants selecting bonus programs currently in use at their organization received this question for the associated program.

RESULTS

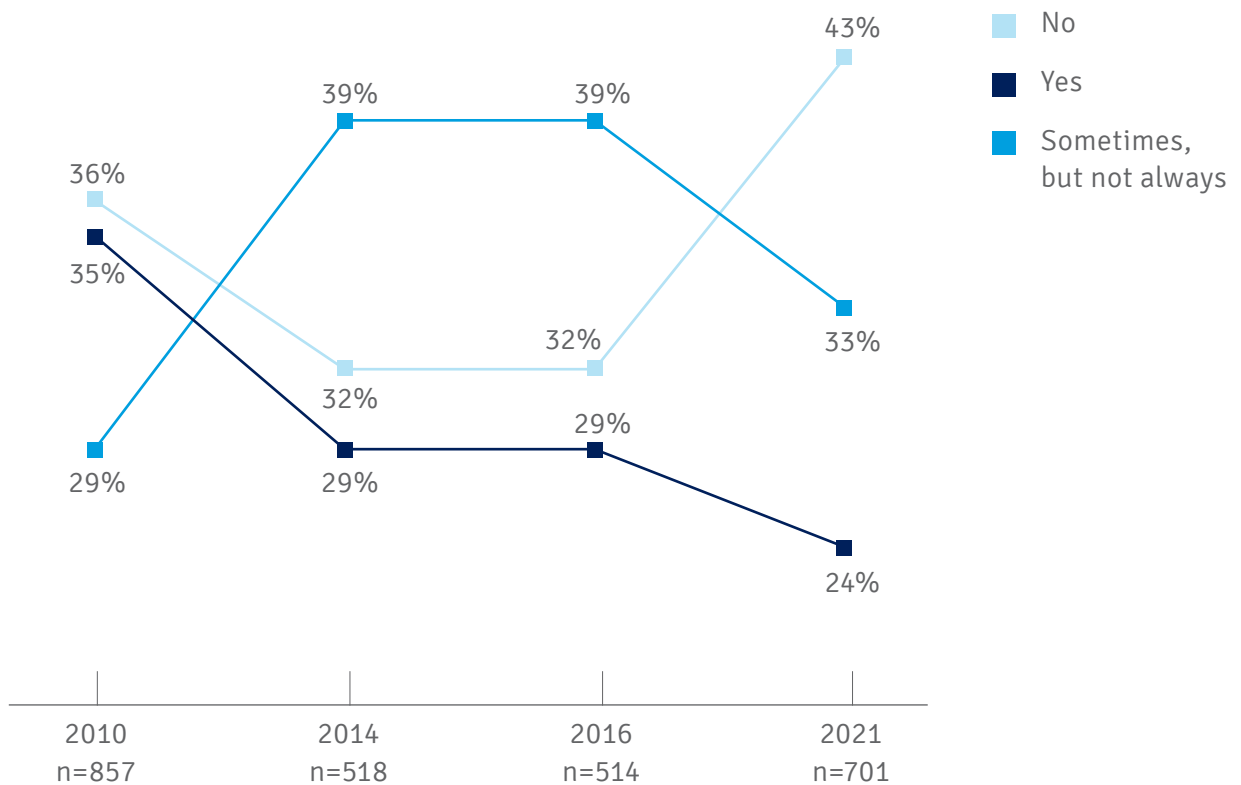


MARKETING BONUS PROGRAMS TO ATTRACT NEW EMPLOYEES

QUESTION

Does your organization feature or market some or all types of bonuses as a key employee benefit when attempting to attract new employees?

RESULTS

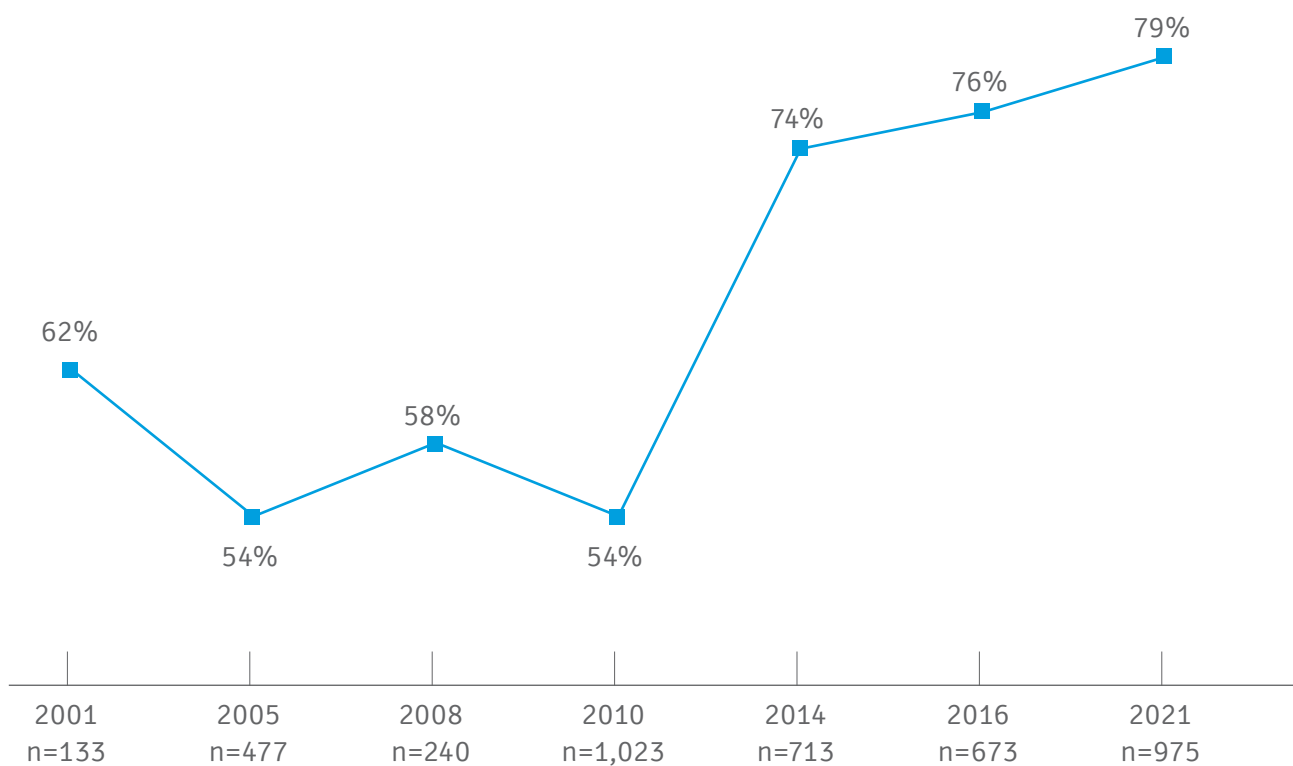


RESULTS

SIGN-ON BONUSES



SIGN-ON BONUS USAGE



SIGN-ON BONUS CONSIDERATION

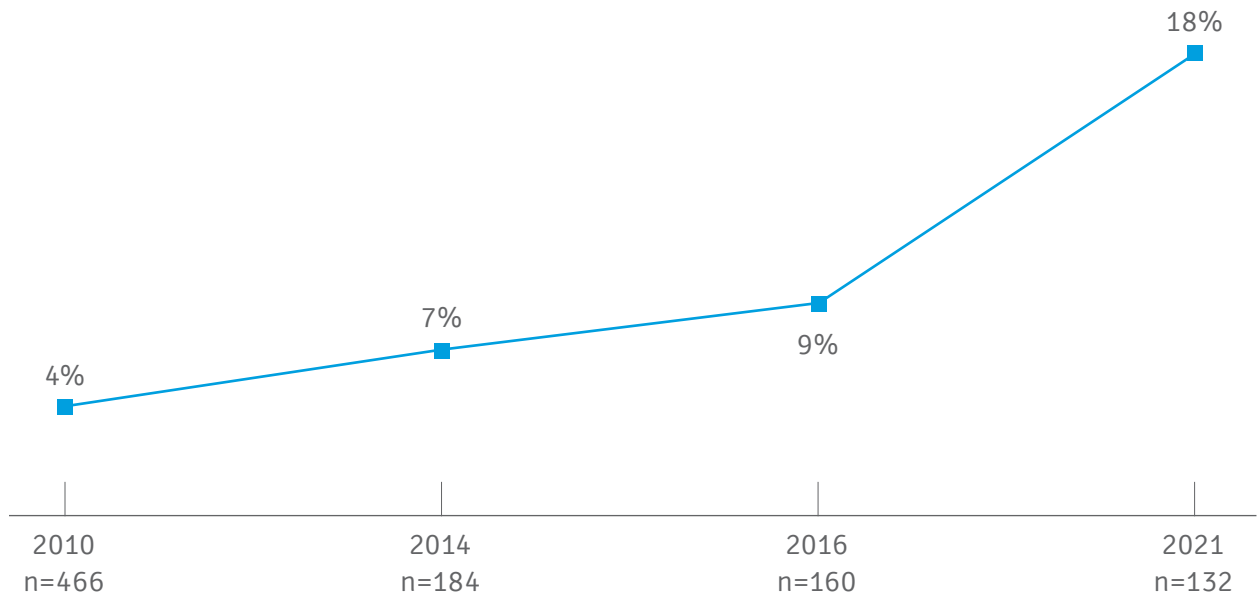
QUESTION

Are you considering implementing a sign-on bonus program?

Participants not selecting that their organization currently uses a "sign-on bonus" program received this question.

RESULTS

■ Percent indicating yes

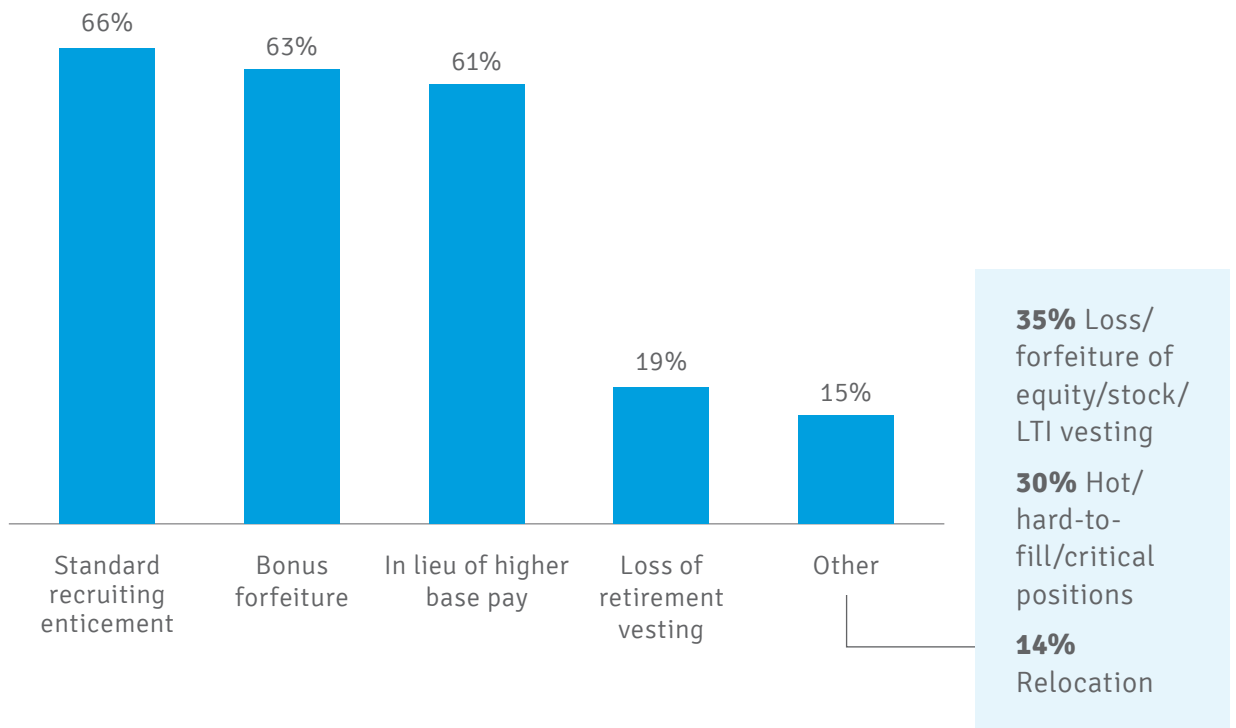


REASONS TO AWARD SIGN-ON BONUSES

QUESTION

For what situations does your organization use sign-on bonuses?
Please select all that apply.

RESULTS



n=708



POSITIONS ELIGIBLE FOR SIGN-ON BONUSES

QUESTION

Which of the following positions in your organization are eligible for sign-on bonuses?

RESULTS

	2010	2014	2016	2021
n=	523	475	449	705
Executive	97%	98%	97%	92%
Upper management	97%	98%	98%	95%
Middle management	95%	92%	94%	92%
Supervisor	84%	78%	83%	83%
Professional	91%	89%	90%	90%
Sales	84%	81%	82%	84%
IT staff	87%	85%	86%	87%
Technical	73%	67%	72%	82%
Administrative support*	32%	28%	33%	46%
Production/manufacturing/warehouse	New options in 2021			49%
Customer service/frontline sales and service				52%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



HOW SIGN-ON BONUSES ARE AWARDED

QUESTION

For the positions above that you indicated receive sign-on bonuses, how are the sign-on bonuses awarded? Please select all that apply.

RESULTS

	n=	Defined dollar amount	Undefined/variable dollar amount	Can be either or both
Executive	642	56%	24%	20%
Upper management	659	57%	24%	19%
Middle management	641	59%	23%	18%
Supervisor	568	60%	23%	17%
Professional	628	61%	22%	17%
Sales	467	64%	20%	17%
IT staff	586	61%	21%	18%
Technical	551	62%	20%	18%
Administrative support*	309	61%	22%	17%
Production/manufacturing/warehouse	210	67%	18%	15%
Customer service/ frontline sales and service	286	67%	17%	16%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



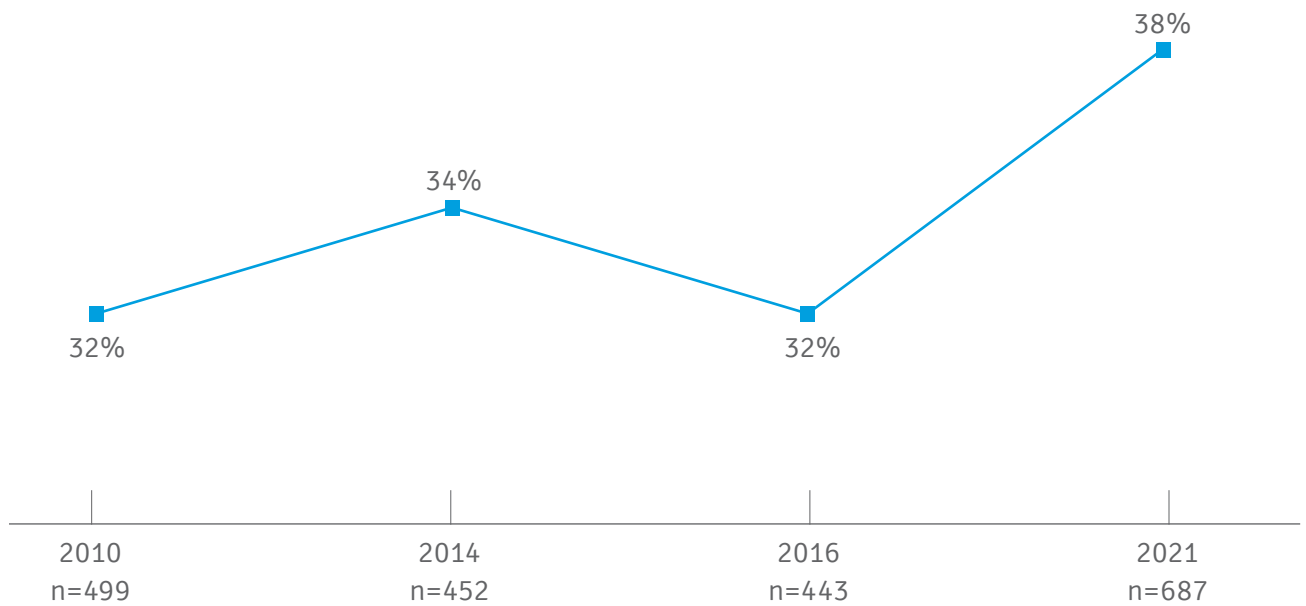
SPLITTING THE SIGN-ON PAYOUT

QUESTION

Does your organization typically split the sign-on payout so that part of the award is given upon hire and the remainder after a set period of time?

RESULTS

■ Percent indicating yes



TIMEFRAME OF SIGN-ON FORFEIT OR REIMBURSEMENT AMONG VOLUNTARY TURNOVER

QUESTION

For the positions that receive sign-on bonuses, what is the time threshold (if any) for employee forfeit or reimbursement of the bonus if they voluntarily leave?

RESULTS

	n=	No provision for forfeit or payback	First three months	First six months	First year	Two years	Other
Executive	629	11%	4%	2%	65%	11%	8%
Upper management	649	12%	5%	2%	66%	9%	6%
Middle management	631	13%	6%	2%	65%	8%	6%
Supervisor	560	15%	6%	2%	63%	8%	6%
Professional	617	15%	6%	2%	63%	8%	6%
Sales	457	13%	6%	3%	64%	9%	6%
IT staff	577	15%	6%	2%	63%	8%	6%
Technical	452	17%	7%	2%	61%	7%	6%
Administrative support*	304	17%	8%	3%	58%	7%	7%
Production/manufacturing/warehouse	204	22%	14%	1%	50%	8%	5%
Customer service/frontline sales and service	280	17%	11%	3%	57%	6%	5%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”

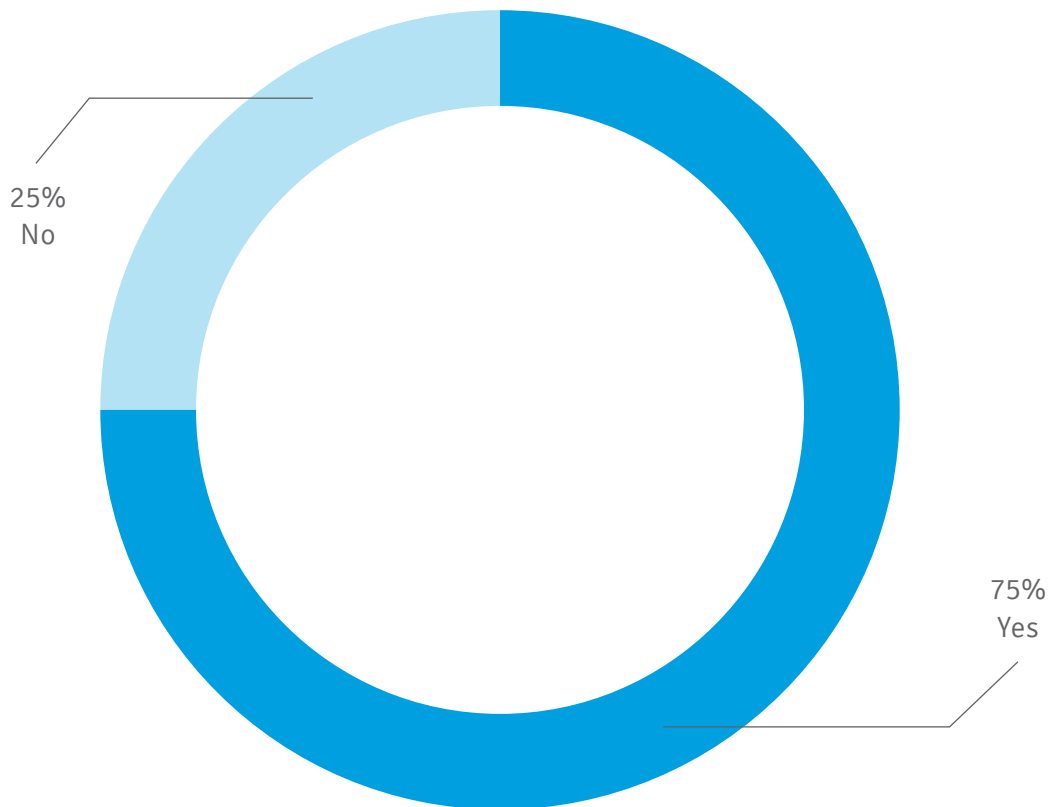


FORFEITURE OR PAYBACK COLLECTION FOLLOW THROUGH

QUESTION

In practice, does your organization follow through with the forfeiture or payback collection?

RESULTS



n=446



AVERAGE AMOUNT OF SIGN-ON BONUS OVER PAST 12 MONTHS

QUESTION

On average, during the past 12 months, what is the amount paid as a sign-on bonus for the following positions?

RESULTS

	n=	<\$1,000	\$1,000-\$4,999	\$5,000-\$9,999	\$10,000-\$24,999	\$25,000-\$49,999	≥\$50,000
Executive	336	5%	4%	6%	22%	24%	40%
Upper management	382	5%	7%	19%	34%	24%	11%
Middle management	396	5%	15%	34%	33%	11%	2%
Supervisor	320	10%	33%	38%	17%	2%	0%
Professional	402	7%	39%	35%	16%	3%	1%
Sales	261	9%	28%	31%	26%	4%	2%
IT staff	351	9%	36%	34%	18%	3%	1%
Technical	330	12%	40%	31%	13%	4%	1%
Administrative support*	162	38%	47%	11%	4%	0%	0%
Production/manufacturing/warehouse	124	47%	40%	9%	3%	0%	1%
Customer service/frontline sales and service	162	41%	48%	9%	2%	0%	0%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”

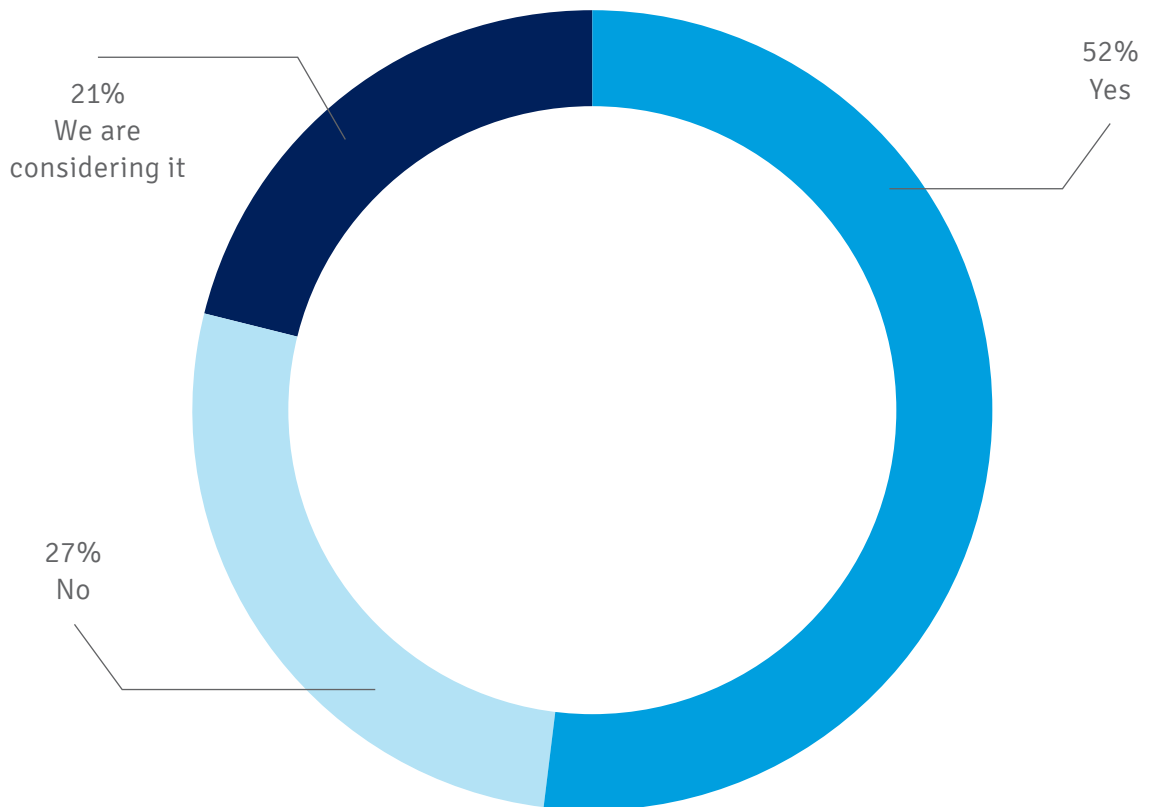


ADDITIONAL SIGN-ON BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher sign-on bonuses for hot/hard-to-fill/critical positions?

RESULTS



n=644



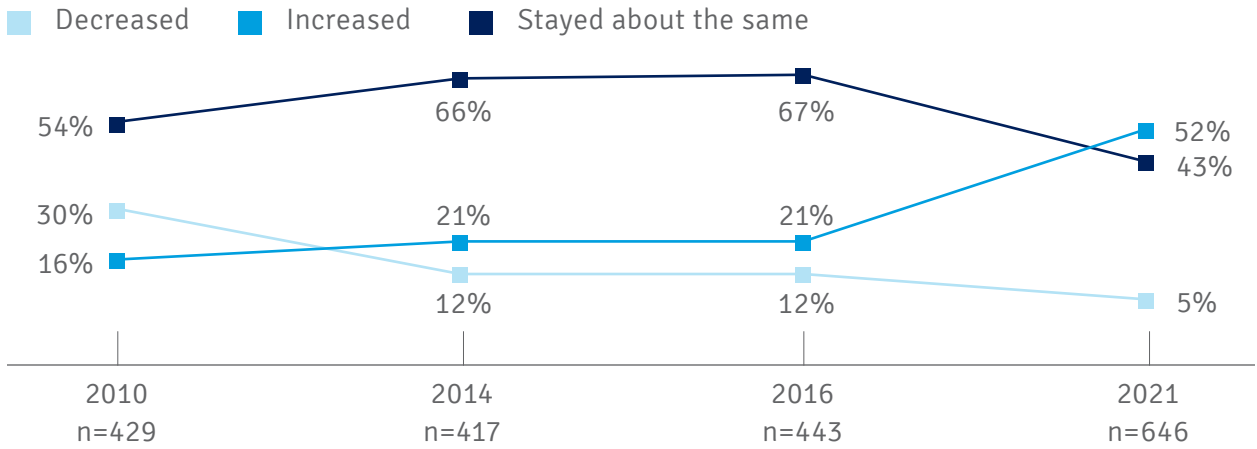
CHANGES IN SIGN-ON BONUSES OVER PAST 12 MONTHS

QUESTION

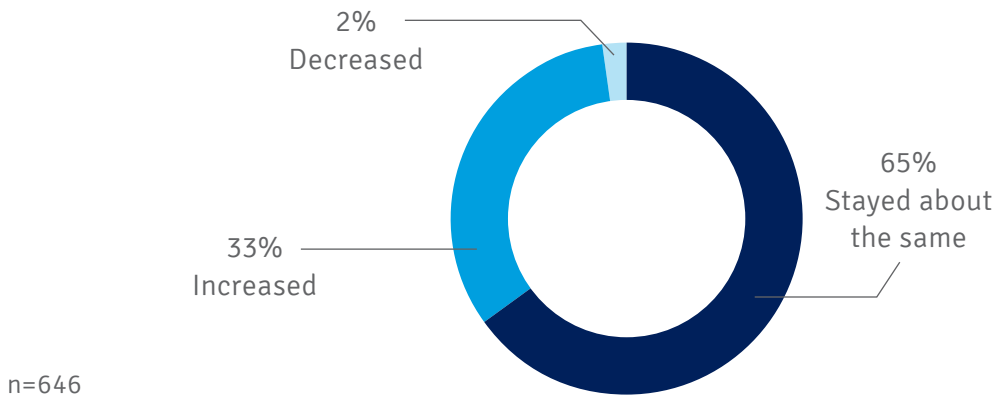
In the past 12 months, please respond to changes for sign-on bonuses in your organization.

RESULTS

Number of sign-on bonuses awarded to employees



Amount of the sign-on bonuses



SIGN-ON BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your sign-on bonus program?

RESULTS

10% of organization's have metrics in place to measure their sign-on bonus program, while...

28% of organization's are considering the use of program metrics.

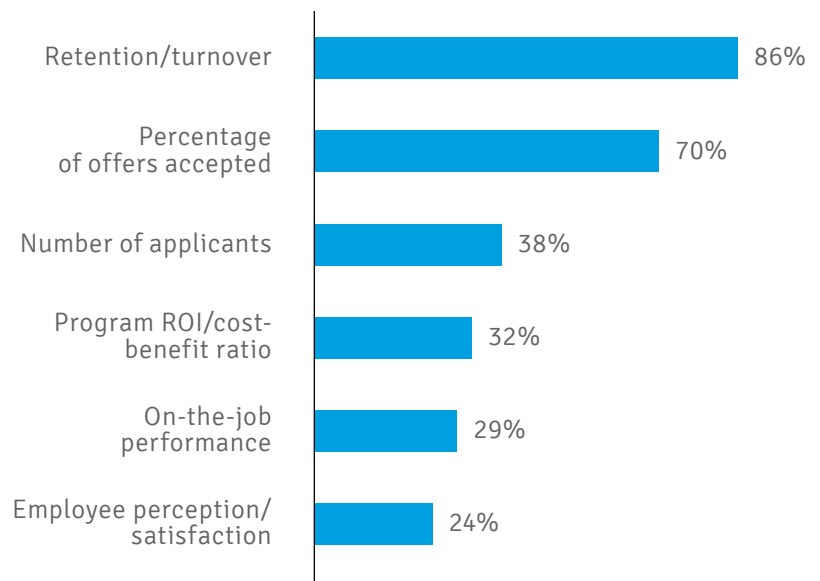
n=646

QUESTION

How does your organization measure the effectiveness of your sign-on bonus program? Please select all that apply.

Participants selecting that their organization measures the effectiveness of their sign-on bonus program received this question.

n=63

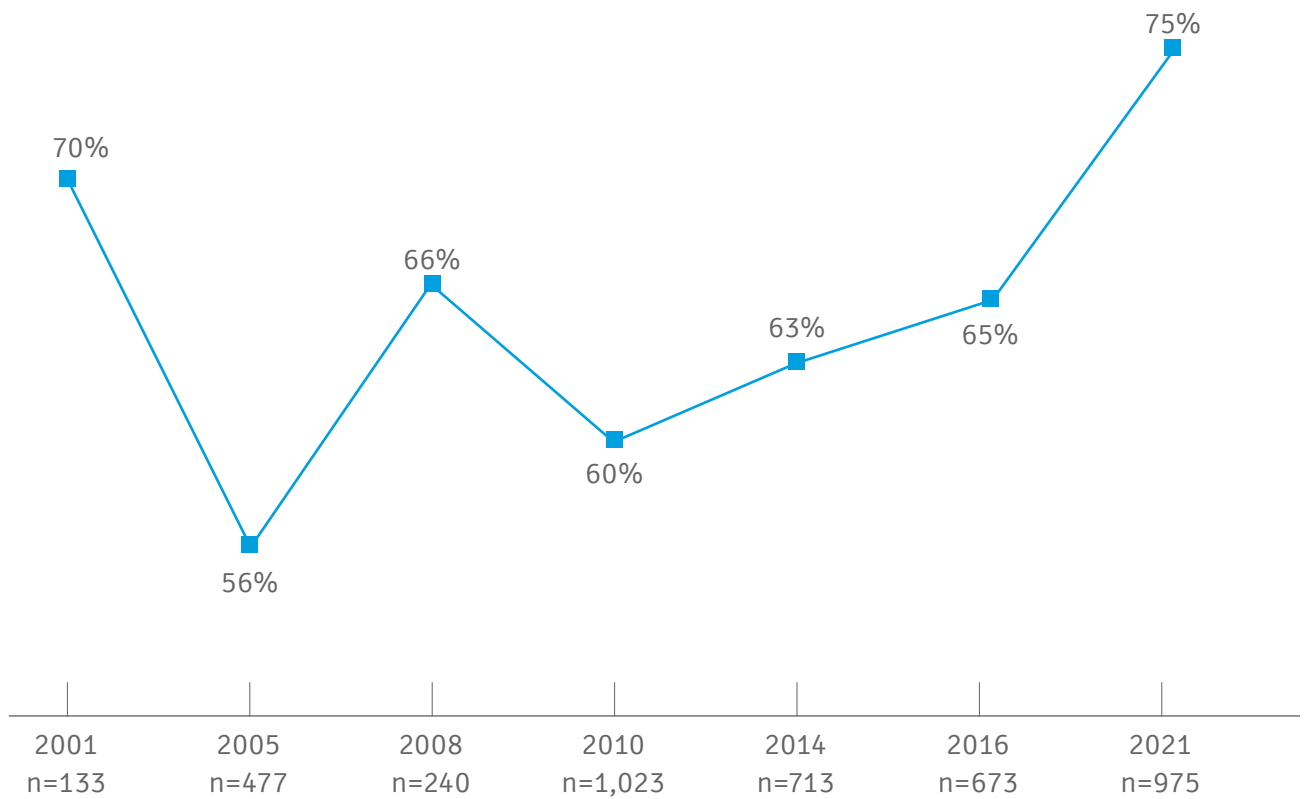


RESULTS

REFERRAL BONUSES



REFERRAL BONUS USAGE



REFERRAL BONUS CONSIDERATION

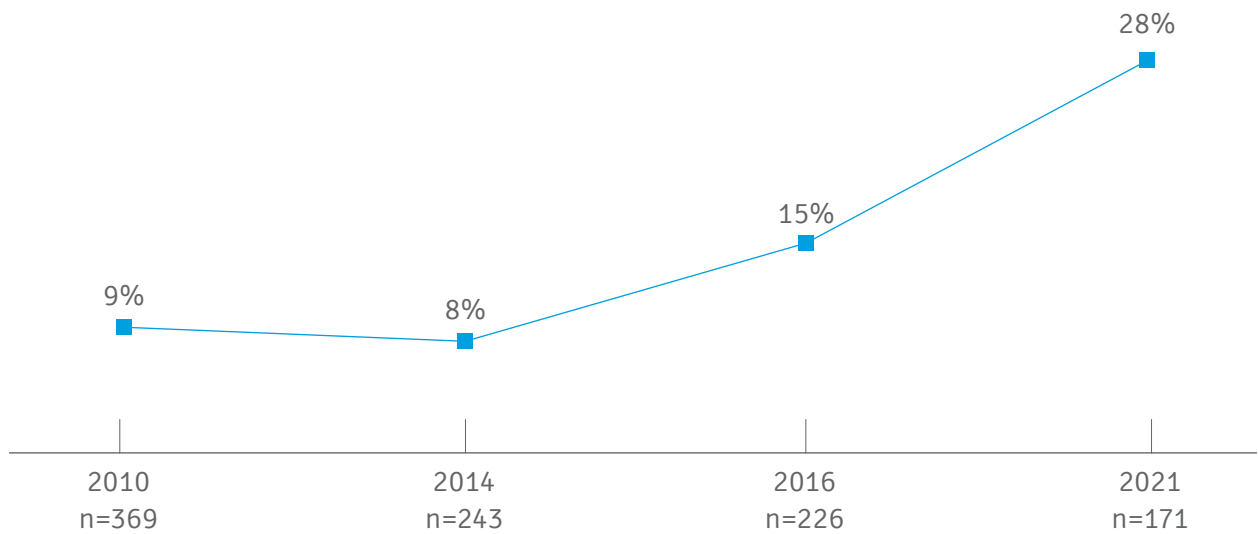
QUESTION

Are you considering implementing a referral bonus program?

Participants not selecting that their organization currently uses a “referral bonus” program received this question.

RESULTS

■ Percent indicating yes



POSITIONS ELIGIBLE FOR REFERRAL BONUSES

QUESTION

Which of the following employees are eligible to receive a bonus for referring a new employee?

RESULTS

	2010	2014	2016	2021
n=	546	373	368	579
Executive	33%	33%	31%	26%
Upper management	59%	62%	58%	52%
Middle management	85%	85%	88%	79%
Supervisor	89%	91%	92%	85%
Professional	99%	99%	99%	96%
Sales	98%	98%	99%	95%
IT staff	99%	99%	99%	96%
Technical	98%	99%	99%	96%
Administrative support*	99%	99%	98%	96%
Production/manufacturing/warehouse	New options in 2021			97%
Customer service/frontline sales and service				96%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”

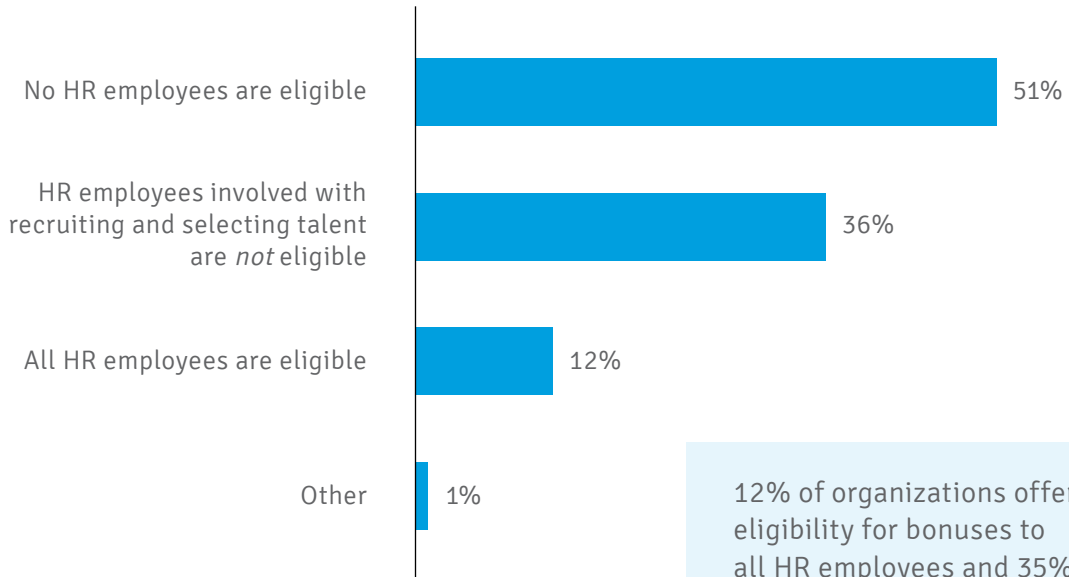


HR ELIGIBILITY FOR REFERRAL BONUSES

QUESTION

Are HR employees eligible to receive a bonus for referring a new employee?

RESULTS



12% of organizations offer eligibility for bonuses to all HR employees and 35% to HR employees without involvement in recruiting and talent selection.

n=594

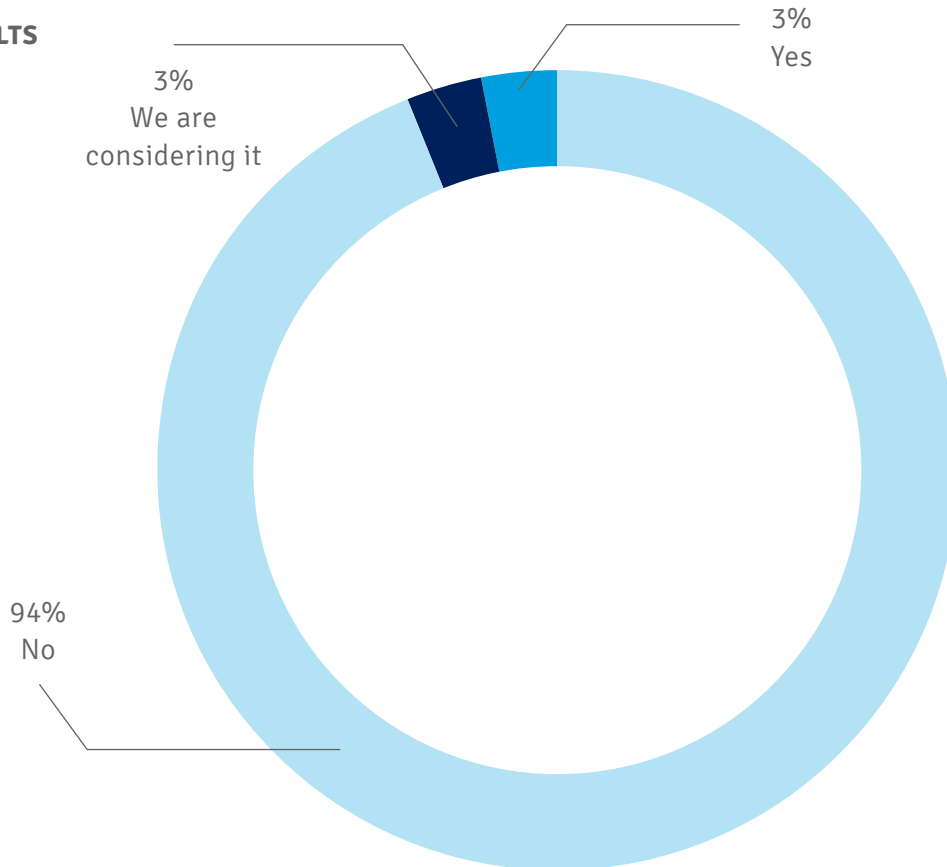


ELIGIBILITY FOR REFERRAL BONUSES BEYOND EMPLOYEES

QUESTION

Do you open your referral bonus program to others within your organization's network beyond employees (e.g., company alumni, investors, vendors, customers)?

RESULTS



n=597



POSITIONS ELIGIBLE FOR REFERRAL BONUSES UPON RECRUITMENT

QUESTION

For which types of positions does your organization award referral bonuses upon recruitment?

RESULTS

	2010	2014	2016	2021
n=	497	333	360	571
Executive	74%	67%	66%	54%
Upper management	86%	82%	81%	68%
Middle management	92%	93%	90%	80%
Supervisor	92%	95%	93%	84%
Professional	96%	97%	98%	92%
Sales	94%	97%	96%	89%
IT staff	95%	97%	96%	90%
Technical	95%	96%	96%	92%
Administrative support*	90%	90%	92%	85%
Production/manufacturing/warehouse	New options in 2021			90%
Customer service/frontline sales and service				89%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



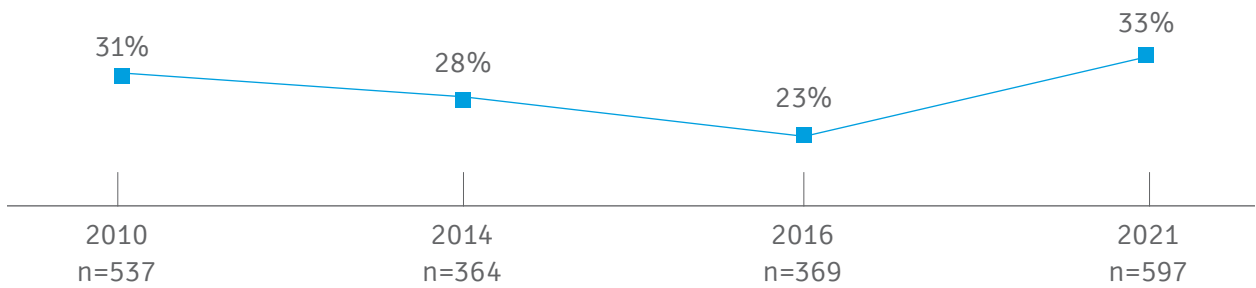
SPLITTING THE REFERRAL PAYOUT

QUESTION

Does your organization typically split the referral bonus payout to the referring employee so that part of the bonus is given upon hire of the person referred (or shortly thereafter), and the remainder of the bonus is given after a set period of time?

RESULTS

■ Percent indicating yes



If your organization **splits the payout**, when is the final award given to the referring employee?

Participants selecting that their organization splits the referral bonus payout received this question.

		First Payment					Longer than 12 months
		Less than 15 days	16 to 45 days	1.5 to 3 months	4 to 6 months	7 to 12 months	
Final Payment	Less than 15 days	2%	0%	0%	0%	0%	0%
	16 to 45 days	0%	0%	0%	0%	0%	0%
	1.5 to 3 months	54%	22%	25%	0%	0%	0%
	4 to 6 months	26%	50%	37%	39%	0%	0%
	7 to 12 months	12%	24%	35%	39%	80%	0%
	Longer than 12 months	6%	4%	4%	22%	20%	0%

n=197



TIMEFRAME OF REFERRAL PAYOUT

QUESTION

If your organization **does not split the payout**, how long does the new employee have to stay before the referring employee receives the full bonus?

Participants selecting that their organization does not split the referral bonus payout received this question.

RESULTS

	2010	2014	2016	2021
n=	454	313	260	396
Less than 15 days	11%	11%	14%	8%
16 to 45 days	9%	10%	9%	12%
1.5 to 3 months	41%	37%	44%	53%
4 to 6 months	30%	34%	28%	20%
7 to 12 months	6%	7%	4%	5%
Longer than 12 months	2%	1%	2%	2%



AVERAGE AMOUNT OF REFERRAL BONUS OVER PAST 12 MONTHS

QUESTION

For recruiting the following types of positions, during the past 12 months, what has been the average referral bonus awarded to the referring employee if the new hire stays the required amount of time?

RESULTS

	n=	<\$250	\$250-\$499	\$500-\$999	\$1,000-\$2,499	\$2,500-\$4,999	≥\$5,000
Executive	83	7%	8%	17%	39%	22%	7%
Upper management	195	6%	8%	20%	35%	24%	7%
Middle management	338	6%	10%	22%	39%	21%	3%
Supervisor	360	6%	13%	24%	37%	18%	2%
Professional	444	6%	13%	23%	37%	18%	2%
Sales	337	6%	13%	23%	40%	16%	1%
IT staff	418	5%	13%	23%	40%	17%	2%
Technical	421	6%	15%	24%	37%	16%	2%
Administrative support*	404	9%	18%	31%	32%	9%	1%
Production/manufacturing/ warehouse	272	9%	22%	34%	27%	7%	0%
Customer service/ frontline sales and service	356	10%	21%	32%	31%	7%	0%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



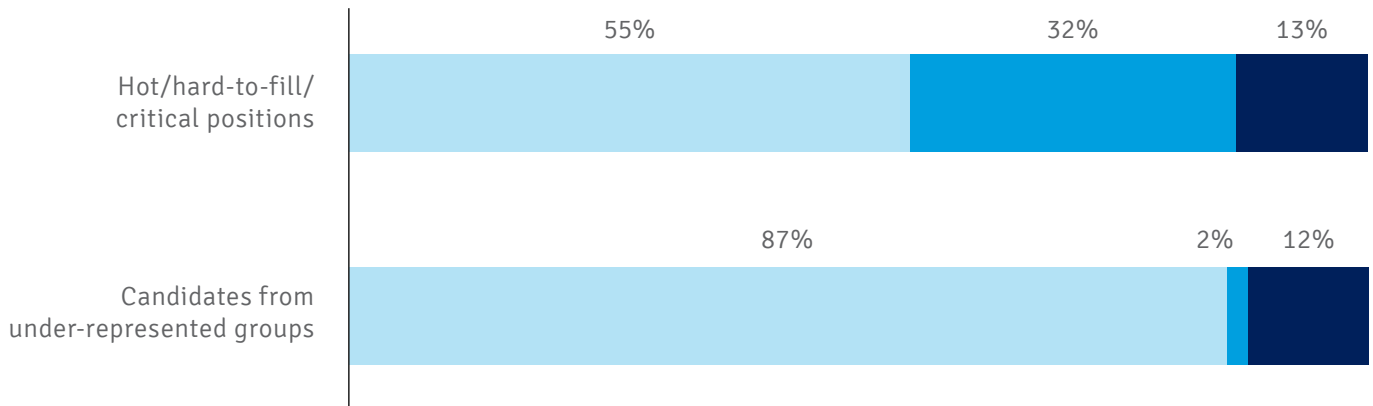
ADDITIONAL REFERRAL BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher referral bonuses for the following?

RESULTS

■ No ■ Yes ■ We are considering



n=577



NON-CASH REFERRAL BONUS AWARDS

QUESTION

Does your organization offer any *non-cash* referral bonus awards (e.g., charitable donation, company stock, experience, cryptocurrency)?

RESULTS

	Yes	No	We are considering
Charitable donation	1%	98%	1%
Company stock	3%	96%	1%
Experience (trip, special lunch, etc.)	1%	98%	1%
Cryptocurrency	0%	100%	0%
Other	1%	98%	1%

n=568



AVERAGE PERCENTAGE OF REFERRALS AMONG NEW HIRES

QUESTION

Approximately what percent of your organization's new hires during [year] came through employee referrals?

RESULTS

	2010	2014	2016	2021
n=	401	260	275	355
Mean	13%	13%	13%	11%
Median	10%	10%	10%	10%



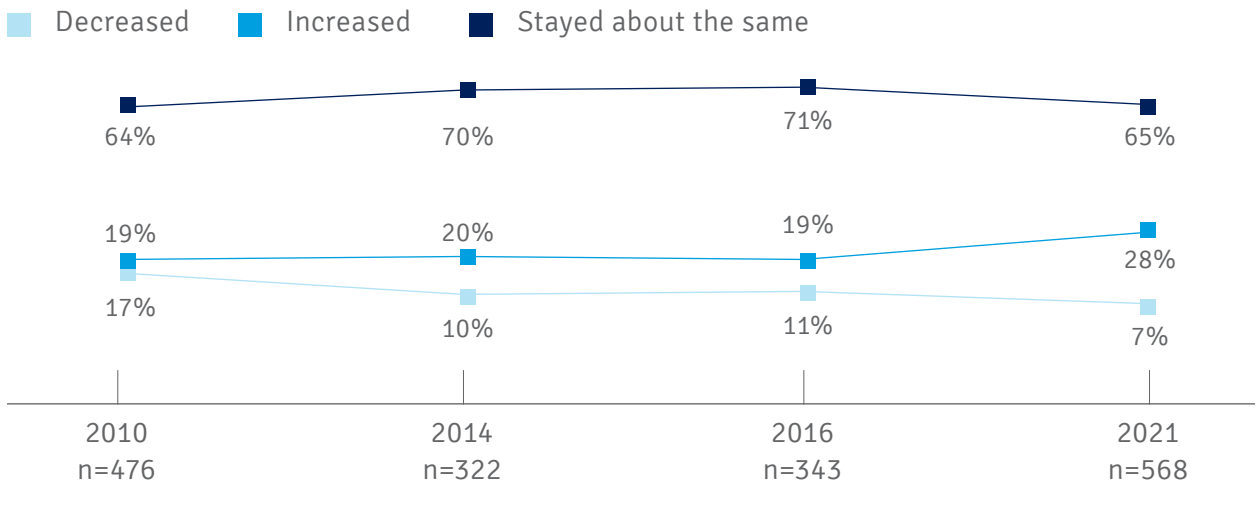
CHANGES IN REFERRAL BONUSES OVER PAST 12 MONTHS

QUESTION

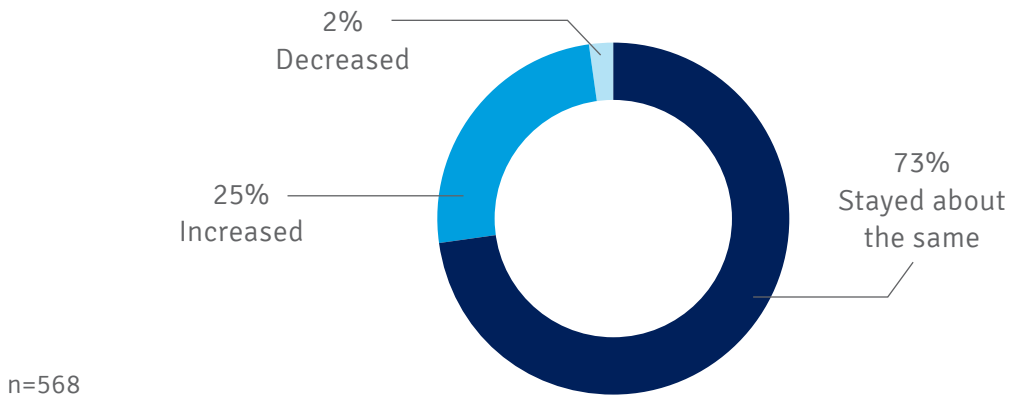
In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

Number of referral bonuses awarded to employees



Amount of the referral bonuses



REFERRAL BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your referral bonus program?

RESULTS

19% of organization's have metrics in place to measure their referral bonus program, while...

30% of organization's are considering the use of program metrics.

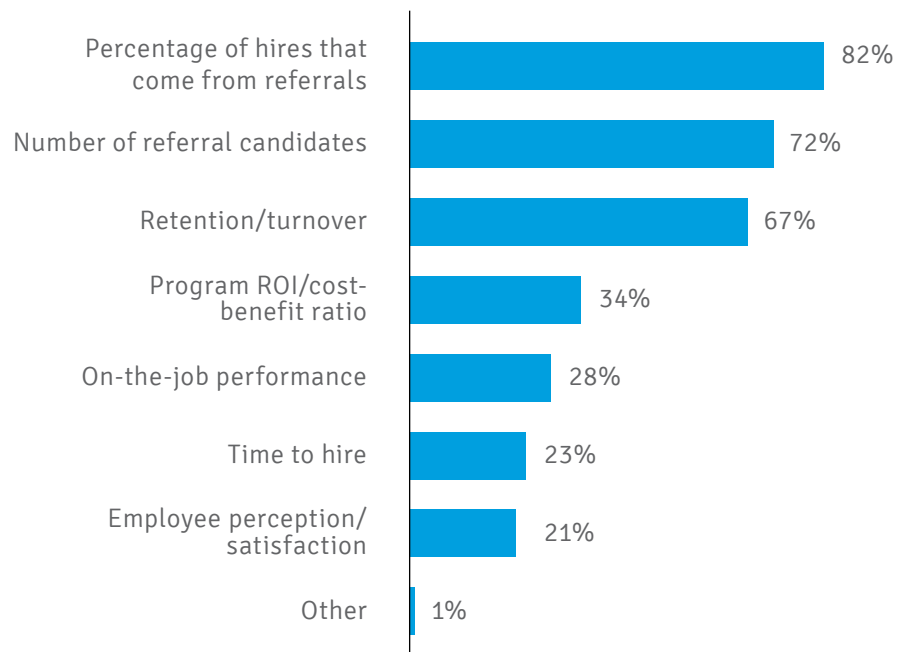
n=568

QUESTION

How does your organization measure the effectiveness of your referral bonus program? Please select all that apply.

Participants selecting that their organization measures the effectiveness of their referral bonus program received this question.

n=110

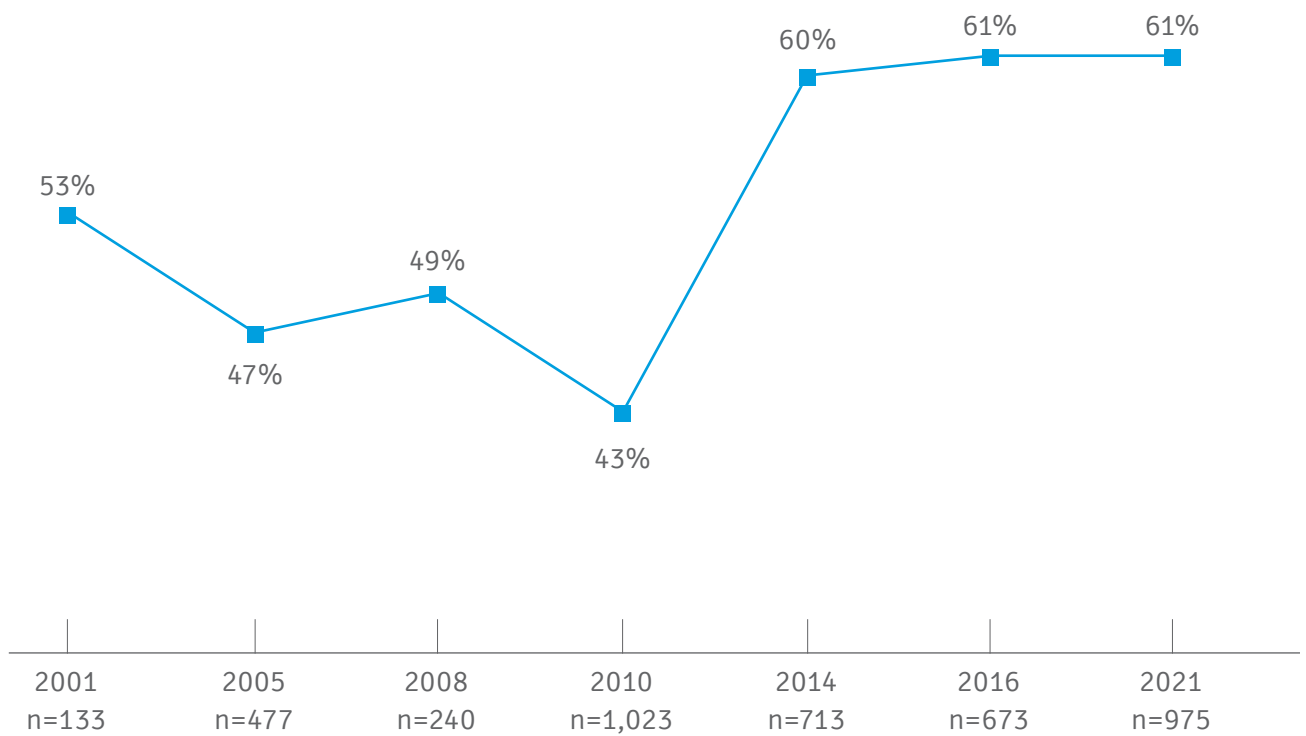


RESULTS

SPOT BONUSES



SPOT BONUS USAGE



SPOT BONUS CONSIDERATION

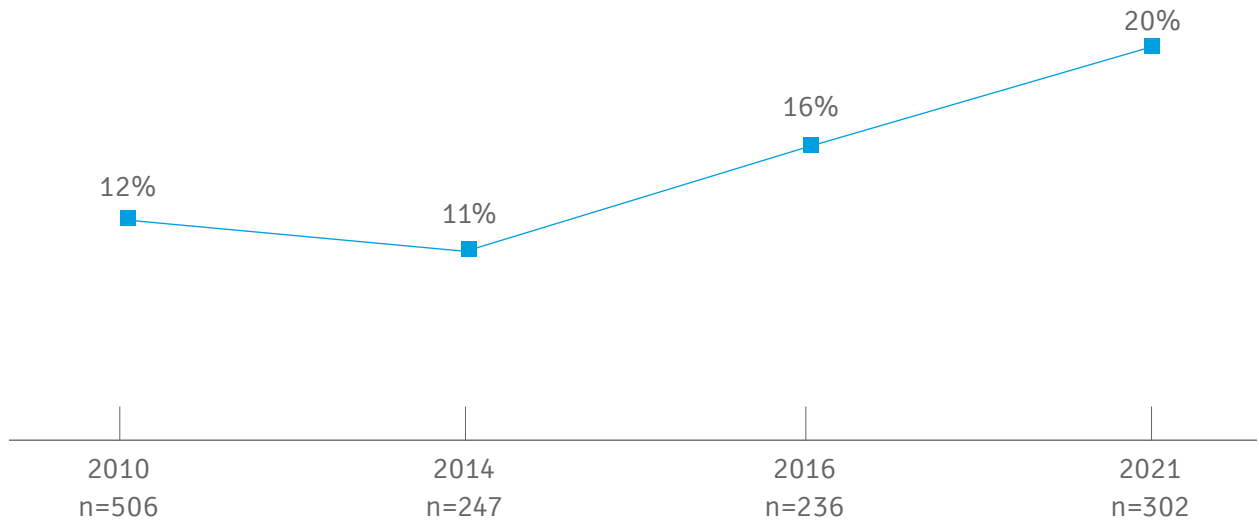
QUESTION

Are you considering implementing a spot bonus program that awards cash?

Participants not selecting that their organization currently uses a "spot bonus" program received this question.

RESULTS

■ Percent indicating yes



REASONS TO AWARD SPOT BONUSES

QUESTION

Does your organization award spot bonuses for any of the following reasons?
Please select all that apply.

RESULTS

	2010	2014	2016	2021
n=	372	343	349	461
Above and beyond	88%	85%	83%	89%
Special recognition (e.g., training completion, patent, cost savings)	89%	90%	94%	86%
Project completion	72%	72%	74%	71%
Safety	16%	21%	16%	20%
Other	7%	6%	5%	6%



POSITIONS ELIGIBLE FOR SPOT BONUSES

QUESTION

Which of the following positions in your organization are eligible for spot bonuses?

RESULTS

	2010	2014	2016	2021
n=	372	342	346	458
Executive	42%	47%	42%	36%
Upper management	62%	69%	71%	64%
Middle management	86%	90%	90%	88%
Supervisor	93%	94%	97%	96%
Professional	97%	97%	99%	98%
Sales	89%	94%	94%	91%
IT staff	97%	98%	99%	97%
Technical	96%	98%	99%	97%
Administrative support*	96%	98%	98%	97%
Production/manufacturing/warehouse	New options in 2021			94%
Customer service/frontline sales and service				95%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



MAXIMUM LEVEL OF SPOT AWARDS BY ELIGIBILITY

QUESTION

For the positions eligible for spot bonuses, identify the maximum level of award.

RESULTS

	n=	<\$250	\$250-\$499	\$500-\$999	\$1,000-\$2,499	\$2,500-\$4,999	≥\$5,000
Executive	104	9%	1%	4%	12%	14%	62%
Upper management	204	8%	4%	7%	15%	19%	47%
Middle management	296	7%	5%	8%	21%	25%	33%
Supervisor	324	8%	6%	11%	26%	26%	24%
Professional	352	8%	7%	11%	26%	26%	22%
Sales	244	8%	5%	12%	23%	28%	25%
IT staff	327	9%	6%	13%	25%	25%	22%
Technical	328	8%	7%	15%	27%	22%	20%
Administrative support*	332	10%	12%	21%	26%	16%	14%
Production/manufacturing/ warehouse	191	11%	15%	24%	22%	15%	13%
Customer service/ frontline sales and service	263	11%	14%	22%	23%	14%	15%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”

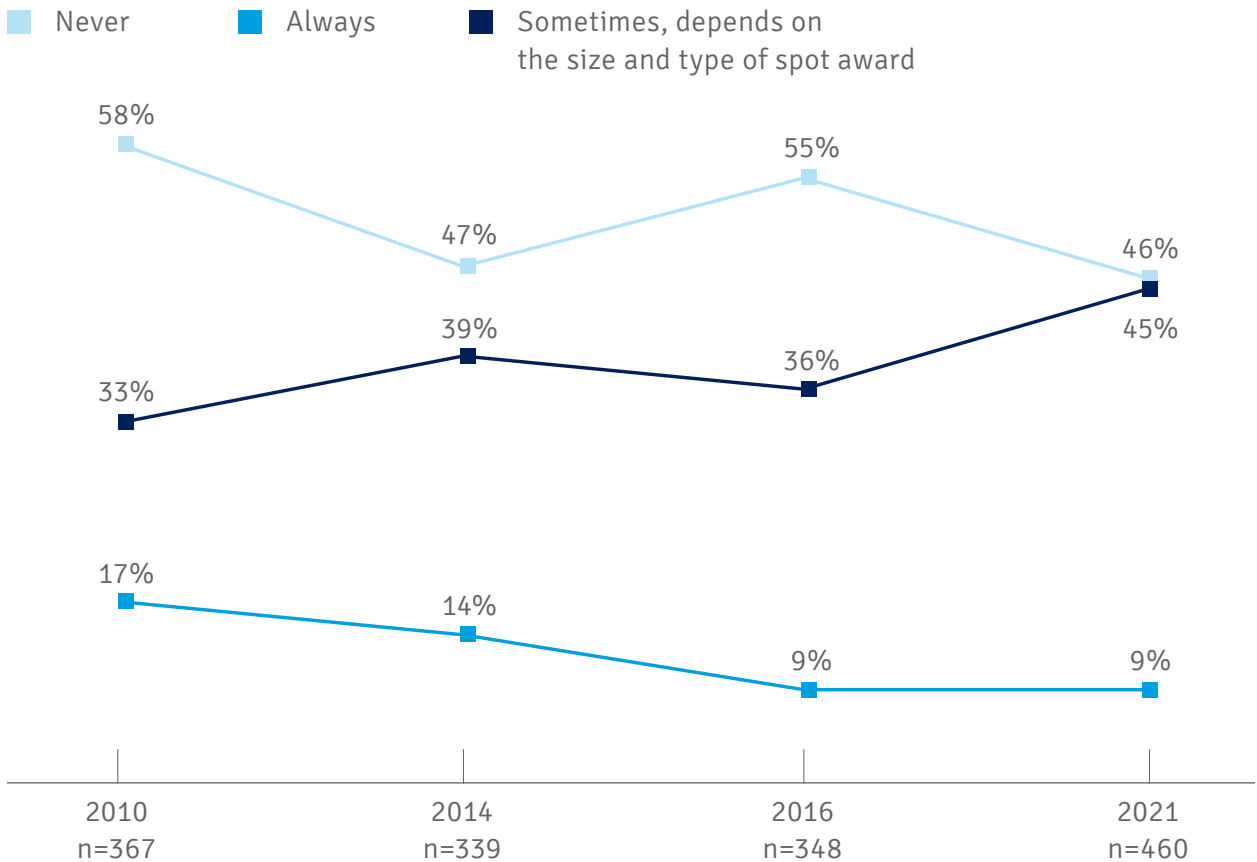


TAX IMPACT OF CASH SPOT AWARDS

QUESTION

With cash spot awards, does your organization increase the amount of the stated award amount to offset the tax impact (might also be known as “grossing up” the award)?

RESULTS



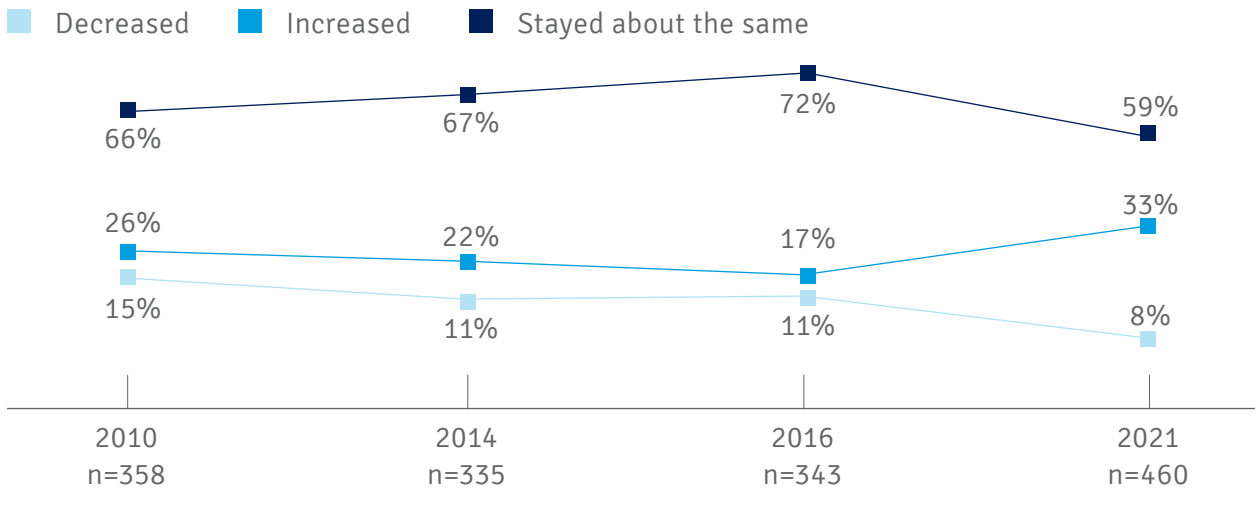
CHANGES IN SPOT BONUSES OVER PAST 12 MONTHS

QUESTION

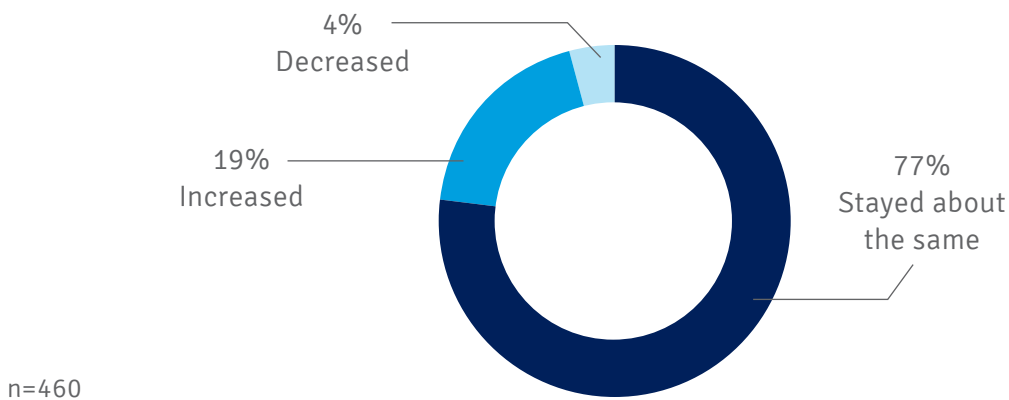
In the past 12 months, please respond to changes for spot bonuses in your organization.

RESULTS

Number of spot bonuses awarded to employees



Amount of the spot bonuses



SPOT BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your spot bonus program?

RESULTS

7% of organizations have metrics in place to measure their spot bonus program, while...

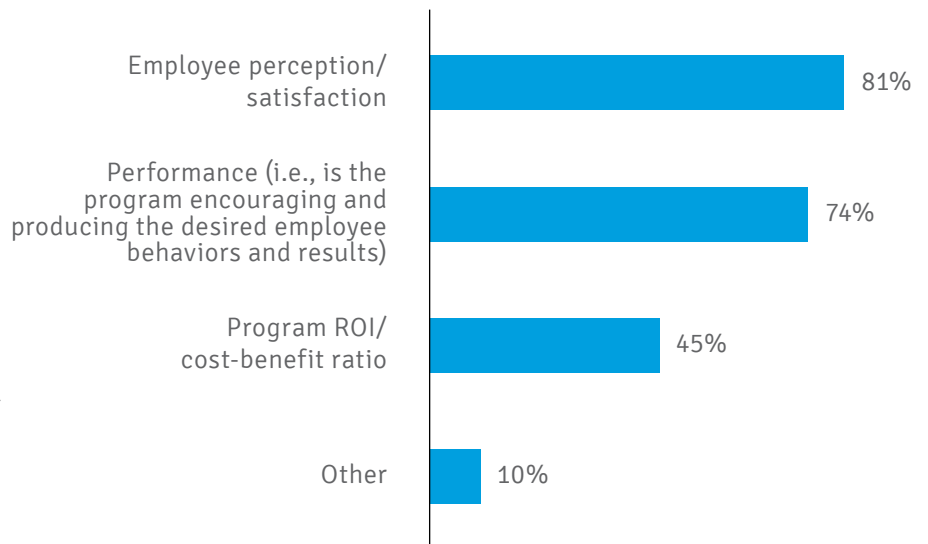
24% of organizations are considering the use of program metrics.

n=460

QUESTION

How does your organization measure the effectiveness of your spot bonus program? Please select all that apply.

Participants selecting that their organization measures the effectiveness of their spot bonus program received this question.



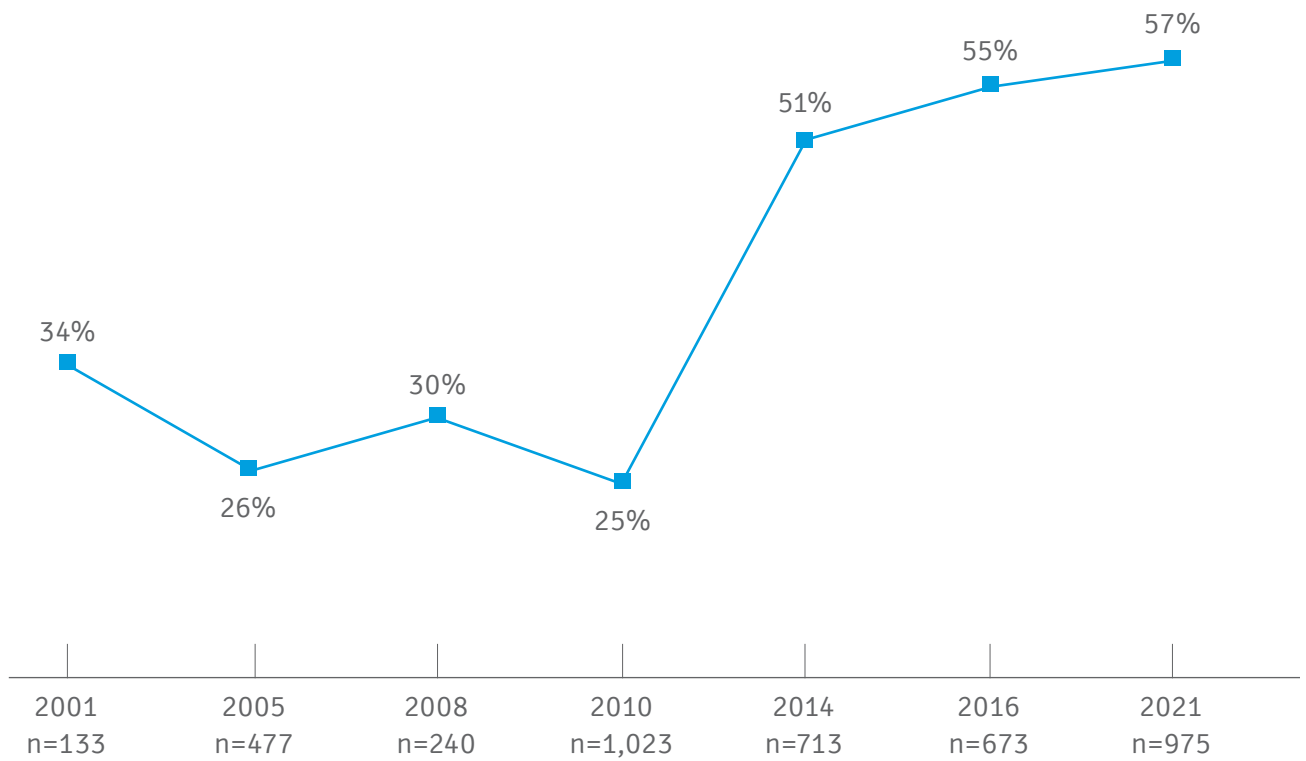
n=31



RESULTS
RETENTION
BONUSES



RETENTION BONUS USAGE



RETENTION BONUS CONSIDERATION

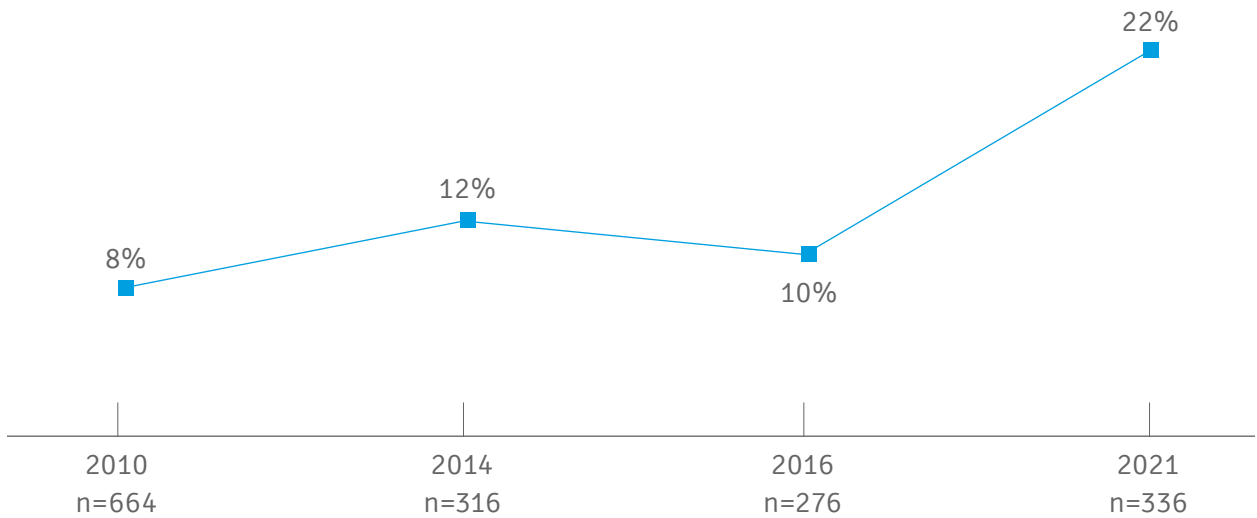
QUESTION

Are you considering implementing a retention bonus program?

Participants not selecting that their organization currently uses a “retention bonus” program received this question.

RESULTS

■ Percent indicating yes

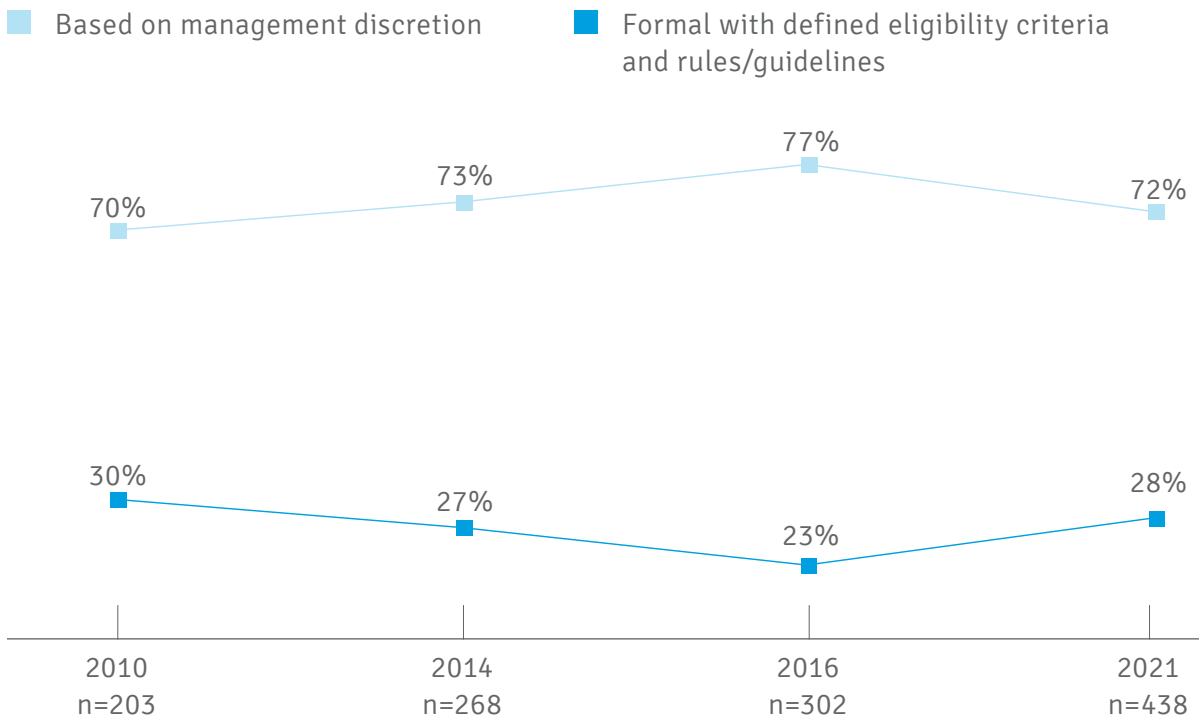


DESIGN OF THE RETENTION BONUS PROGRAM

QUESTION

Your retention bonus program is:

RESULTS



POSITIONS ELIGIBLE FOR RETENTION BONUSES

QUESTION

Which of the following positions in your organization are eligible for retention bonuses?

RESULTS

	2010	2014	2016	2021
n=	204	262	291	433
Executive	85%	92%	91%	81%
Upper management	92%	95%	94%	90%
Middle management	80%	92%	94%	92%
Supervisor	86%	83%	90%	86%
Professional	89%	90%	94%	90%
Sales	86%	83%	89%	82%
IT staff	87%	85%	91%	88%
Technical	84%	78%	83%	81%
Administrative support*	61%	49%	66%	61%
Production/manufacturing/warehouse	New options in 2021			60%
Customer service/frontline sales and service				61%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



REQUIRED LENGTH OF SERVICE TO BE ELIGIBLE FOR RETENTION BONUS

QUESTION

What length of service, if any, is required for employees to become eligible to participate in the retention bonus program?

RESULTS

	n=	Not tied to length of service	<90 days	90 days to 6 months	6 months to 1 year	>1 year
Executive	293	71%	1%	3%	8%	18%
Upper management	334	69%	1%	4%	8%	18%
Middle management	343	68%	1%	4%	9%	18%
Supervisor	316	69%	1%	4%	8%	17%
Professional	337	68%	1%	5%	9%	18%
Sales	243	72%	1%	4%	8%	15%
IT staff	319	70%	1%	4%	9%	17%
Technical	294	71%	1%	4%	8%	16%
Administrative support*	217	70%	1%	7%	9%	13%
Production/manufacturing/warehouse	135	66%	2%	10%	11%	12%
Customer service/frontline sales and service	183	68%	2%	7%	11%	13%



COMMON METHOD OF PAYMENT USED FOR RETENTION BONUS

QUESTION

What method of payment is most commonly used for the cash retention bonus?

RESULTS

	n=	Lump sum	Regular intervals	Progressive timing
Executive	321	61%	24%	15%
Upper management	364	60%	24%	15%
Middle management	374	63%	24%	14%
Supervisor	344	66%	22%	12%
Professional	366	65%	23%	12%
Sales	263	68%	21%	11%
IT staff	348	67%	22%	11%
Technical	321	66%	22%	12%
Administrative support*	239	72%	21%	7%
Production/manufacturing/warehouse	144	69%	24%	7%
Customer service/ frontline sales and service	202	72%	19%	9%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



COMMON DETERMINANTS TO CALCULATE RETENTION BONUS

QUESTION

When the cash retention bonus is calculated, what is it most commonly based on?

RESULTS

	n=	Flat dollar amount	Percent of base pay	Combination of flat and percent of base	Management discretion
Executive	321	43%	17%	11%	30%
Upper management	364	43%	18%	10%	29%
Middle management	372	45%	18%	11%	27%
Supervisor	343	43%	19%	11%	27%
Professional	365	45%	19%	10%	26%
Sales	259	43%	18%	12%	27%
IT staff	346	45%	19%	11%	26%
Technical	321	46%	18%	11%	25%
Administrative support*	237	44%	18%	11%	27%
Production/manufacturing/warehouse	144	53%	21%	9%	17%
Customer service/frontline sales and service	200	47%	19%	10%	25%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



AVERAGE AMOUNT OF RETENTION BONUS OVER PAST 12 MONTHS

QUESTION

During the past 12 months, what has been the actual retention bonus dollar amount, on average, as a percent of base pay per employee?

RESULTS

	n=	Cannot be identified	<5.99%	6.0% to 9.99%	10.0% to 20.0%	>20.0%
Executive	342	65%	5%	4%	11%	14%
Upper management	383	60%	6%	9%	15%	12%
Middle management	391	57%	6%	11%	19%	7%
Supervisor	362	59%	7%	12%	18%	4%
Professional	384	57%	9%	12%	19%	4%
Sales	277	61%	7%	11%	17%	4%
IT staff	365	58%	8%	12%	18%	4%
Technical	336	60%	9%	11%	17%	4%
Administrative support*	252	62%	13%	9%	13%	4%
Production/manufacturing/warehouse	153	60%	12%	8%	16%	4%
Customer service/frontline sales and service	215	62%	13%	9%	12%	4%

*In 2021, this answer option was changed from “Clerical” to “Administrative support”



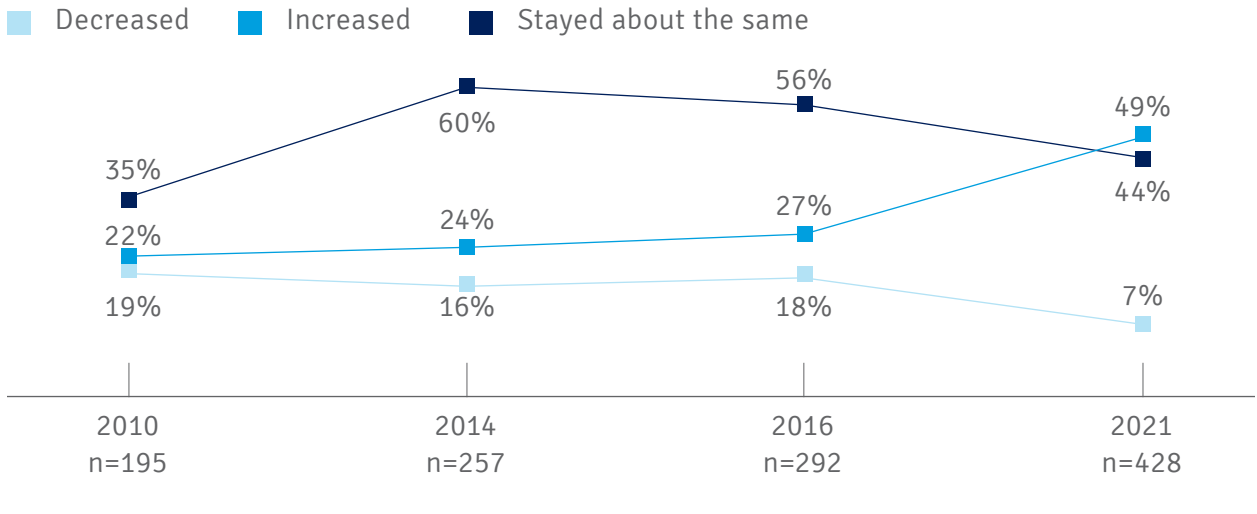
CHANGES IN RETENTION BONUSES OVER PAST 12 MONTHS

QUESTION

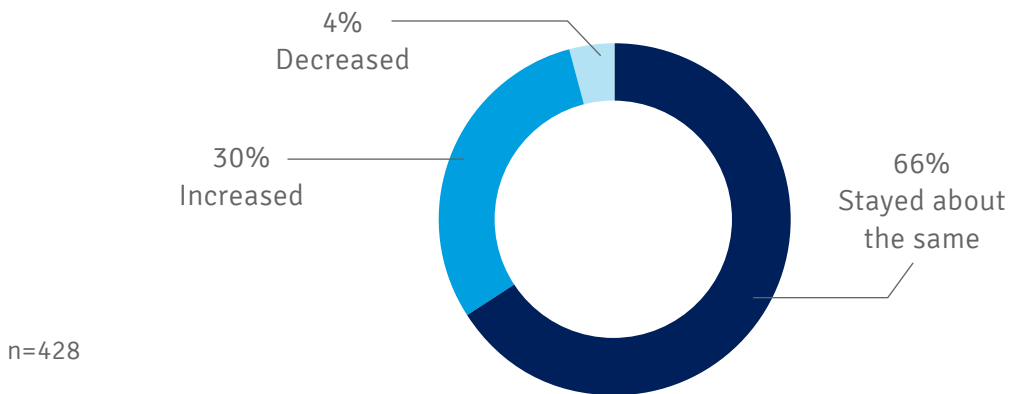
In the past 12 months, please respond to changes for retention bonuses in your organization.

RESULTS

Number of retention bonuses awarded to employees



Amount of the retention bonuses



RETENTION BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your retention bonus program?

RESULTS

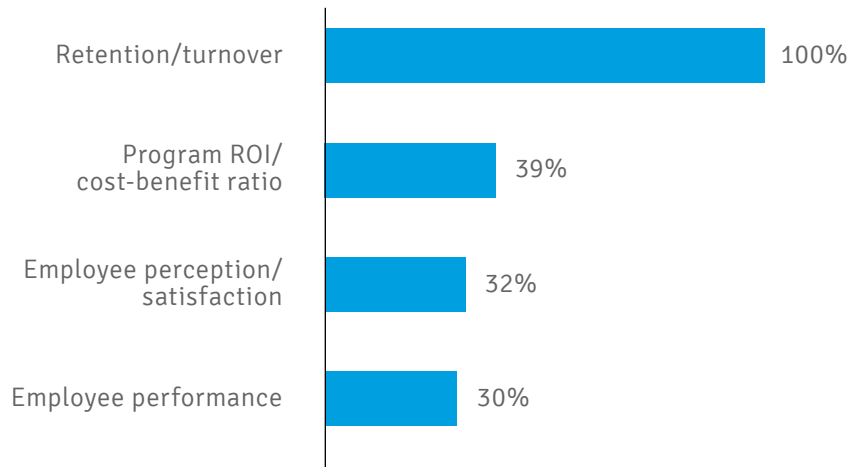
13% of organizations have metrics in place to measure their retention bonus program, while...

25% of organizations are considering the use of program metrics.

n=428

How does your organization measure the effectiveness of your retention bonus program? Please select all that apply.

Participants selecting that their organization measures the effectiveness of their retention bonus program received this question.



n=57

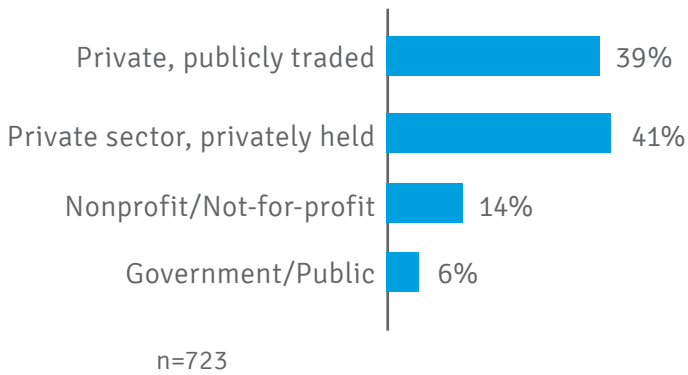


PARTICIPANT PROFILE

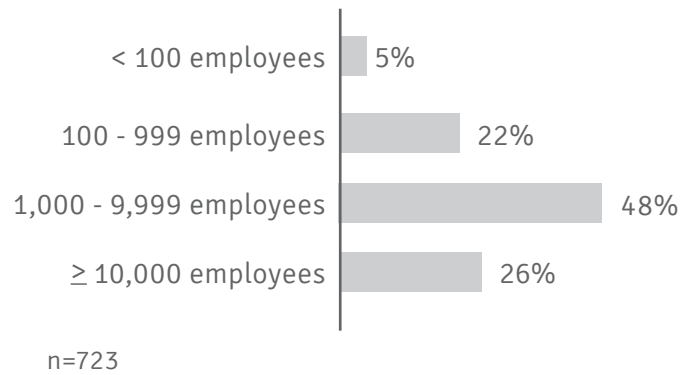


PARTICIPANT PROFILE

SECTOR



SIZE



INDUSTRY



RESULTS BY GROUP

- ▶ **INDUSTRY**
- ▶ **ORGANIZATION SIZE**
- ▶ **ORGANIZATION SECTOR**



INDUSTRY BONUS PROGRAM IN USE

QUESTION

Please select the bonus program(s) that your organization currently uses.

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	89	80	114
Sign-on bonus	91%	75%	85%
Referral bonus	83%	93%	79%
Spot bonus	62%	69%	66%
Retention bonus	61%	66%	55%
We do not use any of these bonus programs	1%	0%	4%



INDUSTRY BUDGETING FOR BONUS PROGRAMS

QUESTION

Does your organization budget for this specific type of bonus?

Participants selecting bonus programs currently in use at their organization received this question for the associated program.

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	80	74	97
Sign-on bonus	23%	28%	19%
Referral bonus	33%	39%	28%
Spot bonus	26%	51%	39%
Retention bonus	19%	28%	21%



INDUSTRY

MARKETING BONUS PROGRAMS TO ATTRACT NEW EMPLOYEES

QUESTION

Does your organization feature or market some or all types of bonuses as a key employee benefit when attempting to attract new employees?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	88	80	110
Yes	26%	25%	28%
Sometimes, but not always	30%	28%	35%
No	44%	48%	37%

INDUSTRY POSITIONS ELIGIBLE FOR SIGN-ON BONUSES

QUESTION

Which of the following positions in your organization are eligible for sign-on bonuses?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	81	60	97
Executive	91%	98%	92%
Upper management	94%	98%	96%
Middle management	88%	95%	93%
Supervisor	80%	92%	86%
Professional	95%	95%	91%
Sales	82%	91%	90%
IT Staff	84%	90%	93%
Technical	78%	88%	88%
Administrative support	43%	41%	60%
Production/manufacturing/warehouse	62%	37%	60%
Customer service/frontline sales and service	54%	53%	63%



INDUSTRY

SPLITTING THE SIGN-ON PAYOUT

QUESTION

Does your organization typically split the sign-on payout so that part of the award is given upon hire and the remainder after a set period of time?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	81	60	97
Yes	61%	20%	40%



INDUSTRY

FORFEITURE OR PAYBACK COLLECTION FOLLOW THROUGH

QUESTION

In practice, does your organization follow through with the forfeiture or payback collection?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	56	37	70
Yes	71%	84%	77%



INDUSTRY

ADDITIONAL SIGN-ON BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher sign-on bonuses for hot/hard-to-fill/critical positions?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufacturing
n=	81	60	96
Yes	59%	47%	47%
No	19%	28%	26%
We are considering	22%	25%	27%



INDUSTRY

CHANGES IN SIGN-ON BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for sign-on bonuses in your organization.

RESULTS

NUMBER OF SIGN-ON BONUSES AWARDED TO EMPLOYEES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	81	60	97
Increased	67%	50%	56%
Stayed about the same	32%	43%	44%
Decreased	1%	7%	0%

AMOUNT OF THE SIGN-ON BONUSES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	81	60	97
Increased	46%	27%	35%
Stayed about the same	53%	72%	65%
Decreased	1%	2%	0%



INDUSTRY SIGN-ON BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your sign-on bonus program?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	81	60	97
Yes	16%	10%	7%
No	56%	63%	60%
We are considering	28%	27%	33%



INDUSTRY POSITIONS ELIGIBLE FOR REFERRAL BONUSES

QUESTION

Which of the following employees are eligible to receive a bonus for referring a new employee?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	90
Executive	22%	16%	23%
Upper management	49%	47%	51%
Middle management	73%	84%	73%
Supervisor	80%	90%	84%
Professional	99%	100%	90%
Sales	94%	100%	89%
IT Staff	99%	100%	90%
Technical	97%	100%	89%
Administrative support	97%	99%	90%
Production/manufacturing/warehouse	98%	100%	97%
Customer service/frontline sales and service	98%	100%	91%



INDUSTRY HR ELIGIBILITY FOR REFERRAL BONUSES

QUESTION

Are HR employees eligible to receive a bonus for referring a new employee?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	88
All HR employees are eligible	8%	7%	15%
HR employees involved with recruiting and selecting talent are not eligible	28%	37%	39%
No HR employees are eligible	61%	55%	47%
Other	3%	1%	0%

INDUSTRY

ELIGIBILITY FOR REFERRAL BONUSES BEYOND EMPLOYEES

QUESTION

Do you open your referral bonus program to others within your organization’s network beyond employees (e.g. company alumni, investors, vendors, customers)?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufacturing
n=	74	74	90
Yes	0%	8%	4%
No	99%	91%	89%
We are considering	1%	1%	7%

INDUSTRY

POSITIONS ELIGIBLE FOR REFERRAL BONUSES UPON RECRUITMENT

QUESTION

For which types of positions does your organization award referral bonuses upon recruitment?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufacturing
n=	72	74	88
Executive	44%	56%	52%
Upper management	60%	77%	67%
Middle management	68%	93%	76%
Supervisor	75%	97%	83%
Professional	94%	99%	87%
Sales	84%	99%	84%
IT Staff	85%	99%	85%
Technical	94%	97%	89%
Administrative support	80%	92%	81%
Production/manufacturing/warehouse	90%	97%	91%
Customer service/frontline sales and service	85%	97%	84%

INDUSTRY SPLITTING THE REFERRAL PAYOUT

QUESTION

Does your organization typically split the referral bonus payout to the referring employee so that part of the bonus is given upon hire of the person referred (or shortly thereafter), and the remainder of the bonus is given after a set period of time?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	90
Yes	39%	20%	43%

INDUSTRY

ADDITIONAL REFERRAL BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher referral bonuses for the following?

RESULTS

HOT/HARD-TO-FILL/CRITICAL POSITIONS

	Healthcare/ Pharma	Technology (including IT)	Manufacturing
n=	74	74	90
Yes	35%	42%	23%
No	53%	47%	56%
We are considering	12%	11%	21%

CANDIDATES FROM UNDER-REPRESENTED GROUPS

	Healthcare/ Pharma	Technology (including IT)	Manufacturing
n=	74	74	90
Yes	1%	3%	3%
No	92%	87%	79%
We are considering	7%	11%	18%



INDUSTRY

CHANGES IN REFERRAL BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

NUMBER OF REFERRAL BONUSES AWARDED TO EMPLOYEES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	90
Increased	35%	20%	42%
Stayed about the same	65%	74%	50%
Decreased	0%	5%	8%

AMOUNT OF THE REFERRAL BONUSES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	90
Increased	27%	20%	37%
Stayed about the same	73%	80%	63%
Decreased	0%	0%	0%



INDUSTRY

DOES YOUR ORGANIZATION MEASURE THE EFFECTIVENESS OF YOUR REFERRAL BONUS PROGRAM?

QUESTION

In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	74	74	90
Yes	22%	24%	21%
No	50%	43%	48%
We are considering	28%	32%	31%



INDUSTRY SPOT BONUS CONSIDERATION

QUESTION

Are you considering implementing a spot bonus program that awards cash?

RESULTS

		Healthcare/ Pharma	Technology (including IT)	Manufact- uring
	n=	33	25	35
Yes		15%	40%	17%

INDUSTRY POSITIONS ELIGIBLE FOR SPOT BONUSES

QUESTION

Which of the following positions in your organization are eligible for spot bonuses?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	55	75
Executive	38%	28%	37%
Upper management	67%	57%	69%
Middle management	82%	93%	89%
Supervisor	98%	98%	96%
Professional	100%	100%	99%
Sales	97%	93%	96%
IT Staff	96%	100%	97%
Technical	93%	100%	97%
Administrative support	96%	98%	99%
Production/manufacturing/warehouse	93%	96%	96%
Customer service/frontline sales and service	96%	100%	97%



INDUSTRY TAX IMPACT OF CASH SPOT AWARDS

QUESTION

With cash spot awards, does your organization increase the amount of the stated award amount to offset the tax impact (might also be known as “grossing up” the award)?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	55	55	75
Sometimes, depends on the size and type of spot award	42%	51%	52%
Never	46%	46%	37%
Always	13%	4%	11%



INDUSTRY

CHANGES IN SPOT BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for spot bonuses in your organization.

RESULTS

NUMBER OF SPOT BONUSES AWARDED TO EMPLOYEES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	55	55	75
Increased	33%	36%	33%
Stayed about the same	60%	56%	61%
Decreased	7%	7%	5%

AMOUNT OF SPOT BONUSES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	55	55	75
Increased	18%	22%	16%
Stayed about the same	78%	75%	80%
Decreased	4%	4%	4%



INDUSTRY SPOT BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your spot bonus program?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	55	55	75
Yes	9%	6%	7%
No	62%	71%	69%
We are considering	29%	24%	24%

INDUSTRY RETENTION BONUS CONSIDERATION

QUESTION

Are you considering implementing a retention bonus program?

Participants not selecting that their organization currently uses a “retention bonus” program received this question.

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	34	27	47
Yes	27%	15%	21%



INDUSTRY DESIGN OF THE RETENTION BONUS PROGRAM

QUESTION

Your retention bonus program is:

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	53	63
Formal with defined eligibility criteria and rules or guidelines	28%	15%	29%
Based on management discretion	72%	85%	71%



INDUSTRY POSITIONS ELIGIBLE FOR RETENTION BONUSES

QUESTION

Which of the following positions in your organization are eligible for retention bonuses?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	53	63
Executive	87%	77%	78%
Upper management	93%	94%	89%
Middle management	87%	98%	89%
Supervisor	81%	92%	81%
Professional	87%	96%	89%
Sales	70%	90%	82%
IT Staff	79%	94%	86%
Technical	76%	94%	81%
Administrative support	55%	71%	58%
Production/manufacturing/warehouse	62%	61%	55%
Customer service/frontline sales and service	55%	71%	63%



INDUSTRY

CHANGES IN RETENTION BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for retention bonuses in your organization.

RESULTS

NUMBER OF RETENTION BONUSES AWARDED TO EMPLOYEES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	53	63
Increased	59%	47%	51%
Stayed about the same	37%	40%	43%
Decreased	4%	13%	6%

AMOUNT OF THE RETENTION BONUSES

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	53	63
Increased	46%	28%	25%
Stayed about the same	52%	68%	71%
Decreased	2%	4%	3%



INDUSTRY RETENTION BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your retention bonus program?

RESULTS

	Healthcare/ Pharma	Technology (including IT)	Manufact- uring
n=	54	53	63
Yes	19%	11%	16%
No	54%	68%	57%
We are considering	28%	21%	27%



ORGANIZATION SIZE BONUS PROGRAM IN USE

QUESTION

Please select the bonus program(s) that your organization currently uses.

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	38	156	344	185
Sign-on bonus	34%	70%	86%	93%
Referral bonus	32%	82%	79%	78%
Spot bonus	42%	54%	67%	65%
Retention bonus	11%	40%	65%	75%
We do not use any of these bonus programs	21%	3%	2%	1%



ORGANIZATION SIZE BUDGETING FOR BONUS PROGRAMS

QUESTION

Does your organization budget for this specific type of bonus?

Participants selecting bonus programs currently in use at their organization received this question for the associated program.

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	16	128	292	169
Sign-on bonus	23%	26%	25%	26%
Referral bonus	42%	37%	37%	36%
Spot bonus	13%	46%	41%	43%
Retention bonus	50%	25%	23%	29%



ORGANIZATION SIZE

MARKETING BONUS PROGRAMS TO ATTRACT NEW EMPLOYEES

QUESTION

Does your organization feature or market some or all types of bonuses as a key employee benefit when attempting to attract new employees?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	30	152	336	183
Yes	30%	30%	20%	27%
Sometimes, but not always	37%	27%	35%	35%
No	33%	43%	46%	38%



ORGANIZATION SIZE

SPLITTING THE SIGN-ON PAYOUT

QUESTION

Does your organization typically split the sign-on payout so that part of the award is given upon hire and the remainder after a set period of time?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	13	109	294	172
Yes	31%	29%	39%	43%



ORGANIZATION SIZE FORFEITURE OR PAYBACK COLLECTION FOLLOW THROUGH

QUESTION

In practice, does your organization follow through with the forfeiture or payback collection?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	9	79	200	120
Yes	56%	67%	75%	82%



ORGANIZATION SIZE

ADDITIONAL SIGN-ON BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher sign-on bonuses for hot/hard-to-fill/critical positions?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	13	109	292	172
Yes	39%	47%	51%	56%
No	23%	31%	26%	25%
We are considering	39%	22%	23%	19%

ORGANIZATION SIZE

CHANGES IN SIGN-ON BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for sign-on bonuses in your organization.

RESULTS

NUMBER OF SIGN-ON BONUSES AWARDED TO EMPLOYEES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	13	109	294	172
Increased	23%	54%	58%	49%
Stayed about the same	77%	38%	40%	44%
Decreased	0%	8%	2%	7%

AMOUNT OF THE SIGN-ON BONUSES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	13	109	294	172
Increased	23%	29%	36%	34%
Stayed about the same	77%	69%	63%	65%
Decreased	0%	2%	1%	2%



ORGANIZATION SIZE SIGN-ON BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your sign-on bonus program?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	13	109	294	172
Yes	8%	9%	9%	12%
No	92%	64%	61%	63%
We are considering	0%	27%	30%	26%

ORGANIZATION SIZE HR ELIGIBILITY FOR REFERRAL BONUSES

QUESTION

Are HR employees eligible to receive a bonus for referring a new employee?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	127	269	144
All HR employees are eligible	25%	9%	12%	15%
HR employees involved with recruiting and selecting talent are not eligible	33%	31%	38%	37%
No HR employees are eligible	42%	59%	49%	47%
Other	0%	2%	1%	1%

ORGANIZATION SIZE ELIGIBILITY FOR REFERRAL BONUSES BEYOND EMPLOYEES

QUESTION

Do you open your referral bonus program to others within your organization's network beyond employees (e.g. company alumni, investors, vendors, customers)?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Yes	17%	3%	3%	4%
No	83%	94%	95%	94%
We are considering	0%	3%	3%	2%

ORGANIZATION SIZE

SPLITTING THE REFERRAL PAYOUT

QUESTION

Does your organization typically split the referral bonus payout to the referring employee so that part of the bonus is given upon hire of the person referred (or shortly thereafter), and the remainder of the bonus is given after a set period of time?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Yes	50%	28%	35%	33%



ORGANIZATION SIZE

ADDITIONAL REFERRAL BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher referral bonuses for the following?

RESULTS

HOT/HARD-TO-FILL/CRITICAL POSITIONS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Yes	25%	28%	35%	28%
No	58%	56%	52%	60%
We are considering	17%	16%	13%	12%

CANDIDATES FROM UNDER-REPRESENTED GROUPS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Yes	0%	3%	2%	1%
No	75%	83%	90%	84%
We are considering	25%	14%	9%	15%



ORGANIZATION SIZE CHANGES IN REFERRAL BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

NUMBER OF REFERRAL BONUSES AWARDED TO EMPLOYEES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Increased	8%	21%	33%	29%
Stayed about the same	58%	68%	62%	67%
Decreased	33%	11%	5%	5%

AMOUNT OF THE REFERRAL BONUSES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Increased	8%	20%	28%	25%
Stayed about the same	83%	78%	70%	73%
Decreased	8%	2%	2%	2%



ORGANIZATION SIZE

DOES YOUR ORGANIZATION MEASURE THE EFFECTIVENESS OF YOUR REFERRAL BONUS PROGRAM?

QUESTION

In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	12	128	271	144
Yes	17%	15%	22%	19%
No	50%	52%	48%	55%
We are considering	33%	33%	30%	26%



ORGANIZATION SIZE SPOT BONUS CONSIDERATION

QUESTION

Are you considering implementing a spot bonus program that awards cash?

Participants not selecting that their organization currently uses a "spot bonus" program received this question.

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	14	68	105	63
Yes	29%	31%	21%	10%

ORGANIZATION SIZE TAX IMPACT OF CASH SPOT AWARDS

QUESTION

With cash spot awards, does your organization increase the amount of the stated award amount to offset the tax impact (might also be known as “grossing up” the award)?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	16	84	231	120
Sometimes, depends on the size and type of spot award	50%	45%	47%	38%
Never	50%	38%	45%	54%
Always	0%	17%	8%	8%

ORGANIZATION SIZE

CHANGES IN SPOT BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for spot bonuses in your organization.

RESULTS

NUMBER OF SPOT BONUSES AWARDED TO EMPLOYEES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	16	84	231	120
Increased	13%	43%	31%	31%
Stayed about the same	81%	54%	60%	60%
Decreased	6%	4%	9%	9%

AMOUNT OF THE SPOT BONUSES

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	16	84	231	120
Increased	6%	19%	19%	18%
Stayed about the same	88%	80%	77%	76%
Decreased	6%	1%	4%	6%



ORGANIZATION SIZE SPOT BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your spot bonus program?

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	16	84	231	120
Yes	13%	5%	5%	10%
No	75%	73%	69%	66%
We are considering	13%	23%	26%	24%



ORGANIZATION SIZE RETENTION BONUS CONSIDERATION

QUESTION

Are you considering implementing a retention bonus program?

Participants not selecting that their organization currently uses a “retention bonus” program received this question.

RESULTS

	<100 employees	100-999 employees	1,000-9,999 employees	>10,000 employees
n=	26	89	114	45
Yes	15%	27%	27%	24%



ORGANIZATION SECTOR BONUS PROGRAM IN USE

QUESTION

Please select the bonus program(s) that your organization currently uses.

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	282	299	98	44
Sign-on bonus	89%	77%	76%	71%
Referral bonus	82%	81%	70%	34%
Spot bonus	67%	59%	67%	41%
Retention bonus	68%	53%	54%	55%
We do not use any of these bonus programs	0%	3%	7%	14%



ORGANIZATION SECTOR BUDGETING FOR BONUS PROGRAMS

QUESTION

Does your organization budget for this specific type of bonus?

Participants selecting bonus programs currently in use at their organization received this question for the associated program.

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	250	240	73	31
Sign-on bonus	23%	27%	19%	45%
Referral bonus	35%	38%	31%	67%
Spot bonus	44%	37%	40%	61%
Retention bonus	23%	28%	14%	58%



ORGANIZATION SECTOR

MARKETING BONUS PROGRAMS TO ATTRACT NEW EMPLOYEES

QUESTION

Does your organization feature or market some or all types of bonuses as a key employee benefit when attempting to attract new employees?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	281	291	91	38
Yes	24%	28%	17%	16%
Sometimes, but not always	36%	28%	40%	37%
No	40%	44%	44%	47%



ORGANIZATION SECTOR POSITIONS ELIGIBLE FOR SIGN-ON BONUSES

QUESTION

Which of the following positions in your organization are eligible for sign-on bonuses?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	251	229	74	31
Executive	95%	90%	93%	80%
Upper management	98%	93%	93%	87%
Middle management	94%	93%	88%	80%
Supervisor	87%	82%	80%	77%
Professional	92%	89%	95%	81%
Sales	86%	84%	76%	83%
IT Staff	88%	87%	87%	79%
Technical	85%	80%	84%	79%
Administrative support	48%	47%	35%	43%
Production/manufacturing/ warehouse	51%	50%	43%	50%
Customer service/frontline sales and service	53%	53%	45%	62%



ORGANIZATION SECTOR

SPLITTING THE SIGN-ON PAYOUT

QUESTION

Does your organization typically split the sign-on payout so that part of the award is given upon hire and the remainder after a set period of time?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	252	231	74	31
Yes	33%	39%	50%	45%



ORGANIZATION SECTOR

FORFEITURE OR PAYBACK COLLECTION FOLLOW THROUGH

QUESTION

In practice, does your organization follow through with the forfeiture or payback collection?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	168	166	51	23
Yes	83%	69%	73%	61%

ORGANIZATION SECTOR

ADDITIONAL SIGN-ON BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher sign-on bonuses for hot/hard-to-fill/critical positions?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	251	230	74	31
Yes	52%	51%	50%	55%
No	28%	24%	30%	32%
We are considering	20%	25%	20%	13%

ORGANIZATION SECTOR

CHANGES IN SIGN-ON BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for sign-on bonuses in your organization.

RESULTS

NUMBER OF SIGN-ON BONUSES AWARDED TO EMPLOYEES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	252	231	74	31
Increased	48%	58%	64%	42%
Stayed about the same	45%	39%	35%	48%
Decreased	6%	4%	1%	10%

AMOUNT OF THE SIGN-ON BONUSES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	252	231	74	31
Increased	31%	37%	38%	23%
Stayed about the same	68%	62%	61%	77%
Decreased	2%	1%	1%	0%



ORGANIZATION SECTOR SIGN-ON BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your sign-on bonus program?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	252	231	74	31
Yes	8%	10%	12%	13%
No	68%	61%	53%	65%
We are considering	24%	29%	35%	23%

INDUSTRY POSITIONS ELIGIBLE FOR REFERRAL BONUSES

QUESTION

Which of the following employees are eligible to receive a bonus for referring a new employee?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	239	69	15
Executive	23%	26%	29%	33%
Upper management	51%	53%	55%	47%
Middle management	80%	81%	71%	60%
Supervisor	86%	88%	77%	60%
Professional	92%	98%	99%	87%
Sales	92%	98%	92%	100%
IT Staff	93%	98%	100%	86%
Technical	92%	98%	97%	87%
Administrative support	93%	98%	97%	87%
Production/manufacturing/ warehouse	95%	99%	97%	100%
Customer service/frontline sales and service	94%	98%	96%	100%



ORGANIZATION SECTOR HR ELIGIBILITY FOR REFERRAL BONUSES

QUESTION

Are HR employees eligible to receive a bonus for referring a new employee?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	228	240	69	15
All HR employees are eligible	13%	13%	10%	0%
HR employees involved with recruiting and selecting talent are not eligible	40%	34%	30%	33%
No HR employees are eligible	47%	52%	58%	67%
Other	1%	2%	1%	0%



ORGANIZATION SECTOR

ELIGIBILITY FOR REFERRAL BONUSES BEYOND EMPLOYEES

QUESTION

Do you open your referral bonus program to others within your organization’s network beyond employees (e.g. company alumni, investors, vendors, customers)?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	241	69	15
Yes	4%	4%	1%	0%
No	94%	94%	93%	100%
We are considering	2%	2%	6%	0%

ORGANIZATIONAL SECTOR POSITIONS ELIGIBLE FOR REFERRAL BONUSES UPON RECRUITMENT

QUESTION

For which types of positions does your organization award referral bonuses upon recruitment?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	223	237	66	15
Executive	50%	61%	50%	29%
Upper management	69%	74%	63%	29%
Middle management	82%	86%	69%	43%
Supervisor	86%	89%	75%	43%
Professional	91%	95%	94%	67%
Sales	88%	92%	82%	75%
IT Staff	89%	94%	89%	64%
Technical	90%	95%	92%	67%
Administrative support	85%	90%	77%	54%
Production/manufacturing/ warehouse	90%	92%	83%	75%
Customer service/frontline sales and service	88%	92%	84%	91%



ORGANIZATION SECTOR

SPLITTING THE REFERRAL PAYOUT

QUESTION

Does your organization typically split the referral bonus payout to the referring employee so that part of the bonus is given upon hire of the person referred (or shortly thereafter), and the remainder of the bonus is given after a set period of time?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	241	69	15
Yes	23%	39%	45%	53%



ORGANIZATION SECTOR

ADDITIONAL REFERRAL BONUSES FOR SPECIAL GROUPS

QUESTION

Does your organization offer an additional bonus amount or pay higher referral bonuses for the following?

RESULTS

HOT/HARD-TO-FILL/CRITICAL POSITIONS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	241	69	15
Yes	29%	33%	38%	27%
No	60%	51%	49%	67%
We are considering	11%	17%	13%	7%

CANDIDATES FROM UNDER-REPRESENTED GROUPS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	241	69	15
Yes	2%	2%	0%	0%
No	85%	85%	93%	100%
We are considering	13%	13%	7%	0%



ORGANIZATION SECTOR

CHANGES IN SPOT BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for spot bonuses in your organization.

RESULTS

NUMBER OF SPOT BONUSES AWARDED TO EMPLOYEES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	177	66	18
Increased	34%	31%	36%	28%
Stayed about the same	57%	62%	61%	56%
Decreased	9%	7%	3%	17%

AMOUNT OF THE SPOT BONUSES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	177	66	18
Increased	20%	18%	21%	0%
Stayed about the same	75%	78%	79%	100%
Decreased	6%	4%	0%	0%



ORGANIZATION SECTOR SPOT BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your spot bonus program?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	177	66	18
Yes	6%	7%	8%	11%
No	70%	73%	56%	67%
We are considering	24%	20%	36%	22%



ORGANIZATION SECTOR

DOES YOUR ORGANIZATION MEASURE THE EFFECTIVENESS OF YOUR REFERRAL BONUS PROGRAM?

QUESTION

In the past 12 months, please respond to changes for referral bonuses in your organization.

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	230	241	69	15
Yes	18%	20%	22%	20%
No	55%	50%	41%	53%
We are considering	27%	30%	38%	27%



ORGANIZATION SECTOR SPOT BONUS CONSIDERATION

QUESTION

Are you considering implementing a spot bonus program that awards cash?

Participants not selecting that their organization currently uses a “spot bonus” program received this question.

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	91	114	25	20
Yes	18%	25%	24%	10%



ORGANIZATION SECTOR POSITIONS ELIGIBLE FOR SPOT BONUSES

QUESTION

Which of the following positions in your organization are eligible for spot bonuses?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	176	66	18
Executive	33%	31%	49%	50%
Upper management	61%	62%	70%	83%
Middle management	91%	84%	85%	100%
Supervisor	94%	96%	97%	100%
Professional	98%	98%	100%	100%
Sales	91%	90%	89%	100%
IT Staff	97%	97%	98%	100%
Technical	97%	98%	95%	100%
Administrative support	98%	95%	99%	100%
Production/manufacturing/ warehouse	93%	94%	93%	100%
Customer service/frontline sales and service	96%	92%	98%	100%



ORGANIZATION SECTOR TAX IMPACT OF CASH SPOT AWARDS

QUESTION

Question text

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	177	66	18
Sometimes, depends on the size and type of spot award	46%	46%	41%	22%
Never	43%	48%	50%	56%
Always	11%	7%	9%	22%

ORGANIZATION SECTOR RETENTION BONUS CONSIDERATION

QUESTION

Are you considering implementing a retention bonus program?

Participants not selecting that their organization currently uses a “retention bonus” program received this question.

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	90	132	38	14
Yes	28%	25%	21%	29%



ORGANIZATION SECTOR

DESIGN OF THE RETENTION BONUS PROGRAM

QUESTION

Your retention bonus program is:

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	191	159	53	24
Formal with defined eligibility criteria and rules or guidelines	28%	23%	25%	63%
Based on management discretion	72%	77%	76%	38%

ORGANIZATION SECTOR POSITIONS ELIGIBLE FOR RETENTION BONUSES

QUESTION

Which of the following positions in your organization are eligible for retention bonuses?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	190	159	52	24
Executive	80%	80%	92%	65%
Upper management	93%	86%	94%	79%
Middle management	95%	91%	87%	79%
Supervisor	88%	87%	77%	79%
Professional	93%	89%	87%	83%
Sales	86%	80%	64%	73%
IT Staff	91%	85%	84%	83%
Technical	85%	77%	75%	88%
Administrative support	65%	56%	57%	52%
Production/manufacturing/ warehouse	63%	55%	59%	44%
Customer service/frontline sales and service	66%	54%	56%	65%



ORGANIZATION SECTOR

CHANGES IN RETENTION BONUSES OVER PAST 12 MONTHS

QUESTION

In the past 12 months, please respond to changes for retention bonuses in your organization.

RESULTS

NUMBER OF RETENTION BONUSES AWARDED TO EMPLOYEES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	191	159	53	24
Increased	49%	48%	51%	46%
Stayed about the same	45%	43%	43%	50%
Decreased	7%	9%	6%	4%

AMOUNT OF THE RETENTION BONUSES

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	191	159	53	24
Increased	30%	32%	34%	13%
Stayed about the same	65%	64%	62%	88%
Decreased	4%	4%	4%	0%



ORGANIZATION SECTOR RETENTION BONUS EFFECTIVENESS

QUESTION

Does your organization measure the effectiveness of your retention bonus program?

RESULTS

	Private sector, publicly traded (stock ticker)	Private sector, privately held	Nonprofit/ Not-for-profit	Government/ public sector (local, state, federal government)
n=	191	159	53	24
Yes	13%	11%	21%	13%
No	66%	64%	47%	54%
We are considering	21%	25%	32%	33%

DEFINITIONS



DEFINITIONS

Referral bonus: a cash award paid to a current employee for referring a successfully hired job applicant

Retention bonus: a cash award typically tied to length of service or some other milestone

Sign-on bonus: a cash bonus given or committed to at the beginning of a service period, usually for accepting an employment offer

Spot bonus: a type of informal recognition that is delivered in cash, spontaneously or “on-the-spot”



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CONTACT US

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