

4 ways to reward employees and gain a return on investment

[Finance](#), [Investment](#)



Everyone likes to feel appreciated. Many companies try to harness that feeling -- especially now, during the run-up to the end of the year and the holiday season. That's why so many companies use gifts to incentivize their teams.

In reality, though, such reward programs actually . In fact, a proves it.

Related:

The study looked at two valued employee groups -- the most productive and the most punctual. After receiving a work award through the study, both groups displayed a 6 percent to 8 percent drop in productivity.

What's the implication here? It's that people with a strong work ethic don't need prizes for showing up on time. And offering less productive employees gift certificates for deigning to show up at all can make top performers feel devalued, and less loyal to the company.

Used this way, gifts are impersonal. A gift card is particularly so, and maybe the on the planet. It says nothing about the person receiving the gift, and might be usable only at a store or restaurant the recipient doesn't like.

Besides being impersonal, gifts as incentives can actually cause discord. Say that whatever department at your company performs best this quarter gets a reward. The marketing team may win, but colleagues within that group might then become disgruntled if not everyone contributed the same effort. At some point, the hardest-working employees become fed up with the lack of individual recognition.

Finally, gifts just aren't as meaningful when they are prizes in a competition. In a business setting, they should be a surprise, used to acknowledge people who have earned the appreciation. So, stop using gifts as incentives and go for the elements of surprise and delight instead. Gifts can be motivational -- even inspirational tools -- but . Here's how to do that.

Related:

A guide to better gifting

1. Go for the element of surprise. All employees receive a \$200 gift the day they begin working with us. And, instead of handing out generic padfolios featuring our logo, we give our employees personalized gifts engraved with both their names and their spouses' names. This always pleasantly surprises them, and they see that our company takes care of its people.

Give your own employees gifts when they but when they're most deserved. Knowing that theirhard workis being recognized will make them .

2. Go for the unusual. Housekeeping is an ongoing gift that alleviatesstressand gives employees more time to spend with friends andfamily. My company spends thousands of dollars each year to provide housekeeping for our full-time employees, and it's worth every cent. We have very low turnover because we invest in our employees' overall well-being.

Even if a higher-paying job offer comes along, employees stay with us because we treat them like human beings. Most importantly, they're motivated to work hard to maintain the mutual respect we've established.

3. Choose gifts appropriate to the relationship. If employees make \$50,000, don't insult them with "gifts" that are actually \$3 promotional items. Make sure to select items that are commensurate with the person's status in the company. A gift for a CFO will be a higher-ticket item than one for a junior marketing associate. But everyone still deserves some level of recognition -- and each gift is an investment.

In that regard, we sent one of our interns \$200 noise-canceling headphones to help her study during finals week, and she was blown away. She knows that if she's being treated this well as an intern, she can expect even more investment as an employee. That simple touch gave us an excellent chance of recruiting her. Gifts have ripple effects: Choose them wisely. A few have a greater impact than regular deliveries of glorified junk.

4. Include a personal note. Every gift should include from the employee's manager or CEO -- especially if several employees are receiving the same item. A simple note acknowledges them as individuals and becomes an artifact of the relationship. Personalized notes take time to write out, which is why so many people default to impersonalized cards or messages. But employees will be loyal to the leaders they view as their champions. Thanking people for specific contributions inspires more dedication than passing out gifts that are a dime a dozen.

Related:

Gifting programs can be highly effective ways to appreciate and motivate employees. Don't just use gifts as incentives. Thoughtful tokens of recognition inspire the productivity and sense of community that make companies thrive.