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Rise Above the Melon Party

A Smarter Strategy for Using Non-Cash Rewards

Melon bars and other office rewards depicted in "Severance" are an over-the-top reminder that there is a fine line between effective non-cash recognition and insultingly off-the-mark gestures of appreciation. (Photo courtesy Apple TV+)

Recognition Works Only When a Strong Corporate Culture Is in Place

BY PAUL NOLAN

Rewarding stellar workplace performance requires more than boosting the numbers on workers' paychecks. True employee engagement begins by establishing a strong corporate culture—and corporate culture has seen better days.

Gallup reports that employee engagement fell to a 10-year low last year, with only 31% of employees reporting they are engaged. The percentage of actively *disengaged* employees hit 17%, a level also not seen since 2014.

The Gallup survey measures 12 engagement elements. Those that saw the most significant declines last year were clarity of expectations, feeling someone at work cares about them as a person, and encouragement from someone at work to continue developing skills.

And then there's the problem of the disengaged leading the disengaged; Only 31% of managers polled by Gallup reported they are engaged at work.

With apologies to Vince Lombardi, what the hell is going on out there?

A Mattering Deficit

This is a report on the importance and positive impact of rewarding workers with something more meaningful than cash. While it's true that workplace recognition through awarding of merchandise, gift cards, travel, experiences and other cash alternatives is motivating, that strategy is doomed to fail over the long term if you cannot create an environment in which employees feel their work is meaningful.

"We're not facing a 'disengagement crisis,' we're facing a mattering deficit, and more apps, surveys, perks or pay increases won't fix this. Only people can," stated Zach Mercurio, a researcher and leadership development facilitator, in an article on workplace disengagement for *Fast Company* earlier this year.

Mercurio argues that employees can only feel their work matters when employers show that their workers matter. "We can't expect people to care if they don't first feel cared for," he said.

He cites a report from the *Journal of Organizational Psychology* that identifies three psychological states that predict engagement:

- **Psychological meaningfulness** – I and what I do matter
- **Psychological safety** – I can show my true self without fear of consequences
- **Psychological availability** – I have the physical and psychological resources I need to do my work

"When people feel like they matter to someone, they act like they matter, they 'engage.' A mistake many leaders subconsciously make is to assume that people only deserve value once they add value, but the opposite is true: People need to feel valued to add value," Mercurio stated.

He recommends companies reskill their managers to develop three critical skill sets that he believes are necessary for cultivating a sense of mattering:

- **Noticing** – Seeing and hearing the details of what people are experiencing at work.
- **Affirming** – Providing meaningful gratitude for others' efforts and providing meaningful feedback.
- **Needing** – Showing people that they and their work is indispensable.

Jacob Morgan, an author and speaker who focuses on leadership and the future of work, echoes Mercurio's thought that better leadership training is needed to improve the workplace disengagement crisis. Managers continue to focus too much on task completion and deadlines while giving short shrift to inspiration and empowerment.

Providing natural leaders training on operational matters — processes, accountability, etc. — is the proper approach, not vice versa.

"We have too many managers that don't know how to lead," Morgan states in a presentation posted on YouTube late last year. "I think the problem is we have been taking people, promoting them to become managers, and then giving them leadership training. Instead, we should be taking the leaders in our companies and giving them management training."

Five minutes of dancing to defiant jazz with the accessory of your choice? Don't make that recognition mistake. (Photo courtesy Apple TV+)

'Severance' Satirizes Disengagement and Workplace Perks

The workplace disengagement epidemic has been uncannily depicted in the Apple TV+ show "Severance," a futuristic take on work-life balance and the meaning of work that has its fans dissecting each episode in podcasts and lengthy online discussions. The show's premise involves a group of workers who, at the behest of a soulless company, opt to have a surgical procedure that separates their work selves from their lives outside of work. The show's second season screened earlier this year.

Show creator Dan Erickson told *The Hollywood Reporter* he began writing the pilot episode of "Severance" while working a series of meaningless jobs, including one at a company that makes doors.

"Finding purpose in our work and our contributions to society is baked into us, and probably can't be baked out," he said. "That quality is exploited a lot, and we are often pulled into being completely identified by our jobs more than we would be naturally."

Managers at the fictional Lumon Industries in "Severance" refuse to explain the purpose of the quixotic work that the Macrodata Refinement (MDR) team does. And talk about non-cash rewards! The company marks achievements with insultingly banal celebrations, such as melon bars, five-minute music dance experiences (MDEs) and, the highly coveted and oddly staged waffle parties. Other perks for reaching goals include erasers, Chinese finger traps and caricature portraits.

Elizabeth Spiers, a digital strategist and contributing writer for The New York Times Opinion section, wrote about the "infantilization" of office perks in "Severance."

"They are shiny things designed to draw your attention away from the ways in which a focus on productivity and profits can be damaging to workers," Spiers writes. "So when the company pats you on the head and offers you a tote bag or an occasional employee happy hour, it begins to feel like a bit of an insult.

"In the real world, the pandemic has deprogrammed employees of some of this indoctrination. They are starting to realize that toys are no longer an acceptable substitute for meaningful work, fair pay and adequate benefits."

Finding the Motivational Sweet Spot

Having a clear understanding not only of what types of non-cash incentives motivate your employees, but what value is necessary to drive extra effort is vital. Research released earlier this year by the Incentive Research Foundation (IRF) gives corporate incentive users a better sense of how to achieve that clarity. (See the accompanying story, "Identifying Incentive Value Tipping Points," in this report.)

Using the Van Westendorp survey method, a market research technique that is used to determine consumer price preferences, the IRF discovered various reward value amounts are necessary to motivate different groups of workers, in part based on their salaries. Not surprisingly, higher-salaried workers in financial and insurance industries require higher value incentives to become engaged in a program than lower-paid workers in retail sales.

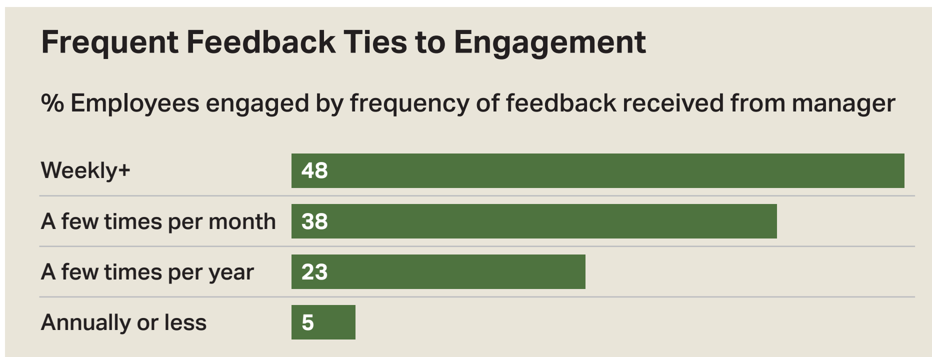
Responding to our query about non-cash incentive and recognition use, Luke Siegel, founder and CEO of Raydoor, a supplier of sliding walls and doors, said, "Broadly, I have found that non-cash recognition can build culture and reinforce values all while ensuring people feel their work is seen and appreciated. We set budgets based on the value of the outcome we're aiming to drive. Recognition doesn't always have to be expensive to be meaningful – it just has to feel intentional. A well-timed thank-you, a creative award, or time off can go a long way when it's tied to specific effort or success."

Alexandr Korshykov. founder and CEO of DreamX, a Ukrainian UX/UI design and development company, said he has established a corporate culture in which top performers and team achievements are recognized with non-cash rewards because they go a lot further than cash in building strong relationships.

"People aren't robots. They need recognition, support and a sense of purpose. Money is the foundation. But emotional connection and a sense of value — that's what builds lasting relationships," Korshykov said.

Brittany Truszkowski, a human resources professional who works at an Arizona law firm, echoed Korshykov's opinion that non-cash recognition is more effective than cash in building a corporate culture that "people want to stick with."

"We try to provide options outside of cash bonuses to motivate and recognize our team. Whether it's a surprise team lunch after a busy week, offering staycations for employees who've gone above and beyond, or covering wellness perks like gym memberships, we try to match the reward to the moment," Truszkowski said. "Even small things like posting team wins in Slack and publicly celebrating key players go a long way. People want to feel like their hard work is seen and appreciated in a way that feels personal."



GALLUP

Acknowledgement and a Failure to Follow Through

Research from Gallup and Workhuman published last year shows well-recognized employees are 45% less likely to have left an employer after two years. Among employees who report receiving feedback and recognition from their manager at least once a week, 61% are engaged.

Gallup defines "high-quality recognition" as efforts that follow five essential pillars of recognition:

- Fulfills employee expectations
- Feels authentic
- Personalized to each recipient
- Equitable
- Embedded in the corporate culture

Of course, meeting most of these pillars is ideal. However, the Gallup report states that employees who receive recognition that satisfies even one of the pillars are 2.9 times as likely to be engaged as those who receive recognition that does not meet any of the pillars.

According to the Gallup/Workhuman research, company leaders acknowledge the positive impacts of non-cash recognition, yet inexplicably fail to follow through in many instances. Just 22% of employees say they get the right amount of recognition for the work they do. More than half (55%) of

U.S. employees either do not receive recognition at all or do not receive recognition that satisfies any of the five pillars of strategic recognition.

This and a horde of other research makes it clear that recognizing employees beyond their paychecks has exponential benefits for companies that do it well. IRF research identified differences in what top-performing companies do regarding employee recognition. (“Top-performing” being measured in terms of revenue growth, strong customer and employee satisfaction, and low employee turnover.) It’s research that was last completed in 2020 and will be updated later this year.

Nearly eight in 10 (78%) top-performing companies have leaders who agree with the statement that rewards and recognition are a critical tool in managing the performance of workers compared to 51% of “comparator” companies that did not meet the top-performing criteria.

Importantly, the research also shows that top-performing companies measure ROI of reward programs more effectively than comparator companies.

In his article for *Fast Company*, Zach Mercurio reminds business leaders that making up for the “mattering deficit” can start with small steps, not grand iniatives.

“Addressing disengagement requires a commitment to relearning and scaling these essential human skills,” he said. “Leaders can start by making sure they take the time to make the next person they interact with feel noticed, affirmed and needed.”

Will Tariffs Squash Meetings and Incentive Travel?

Tariffs and other Trump Administration policies have disrupted numerous industries and forced spending changes for many companies. Offsite meetings and incentive travel providers are among those that expect significant impacts as a fallout of some of Trump’s executive orders.

Of course, tariff policies and other decisions out of Washington seem to be in constant flux, but as with businesses in many other industries, meetings and events providers are planning for turbulence for the rest of 2025 and beyond.

The Exhibitions & Conferences Alliance (ECA), a coalition of 10 professional, industry and labor organizations, issued a statement in early April that said the latest round of proposed tariffs will “increase costs for business and professional event organizers, exhibitors and attendees alike.”

Leaders from the meetings and events industry have popped up on short-notice online round table discussions to share thoughts on the impact of U.S. policies on business. Takeaways have included:

- Clients are hesitant to commit, and contracting is taking much longer.
- Companies are weighing whether to host meetings regionally, adopt hybrid formats or lean more into domestic audiences.
- Event organizers are assessing visa/entry feasibility by country, especially for international conferences.
- U.S.-based incentive programs are seeing cancellations or budget cuts, especially when traveling to a politically sensitive host destination.

The tariffs and Trump’s unchecked rhetoric, including an expressed desire to annex Canada, has already impacted travel from that country. Reports state there has been a 70% drop in flights to the U.S. from Canada this year.

The uncertainty around costs and availability is a challenge for hospitality providers, who typically book groups months and even years in advance.

Jason Witkes, vice president of production at CNC Agency, a global experiential marketing agency, told the publication EventMarketer, “We’ve sent out budgets to clients for projects that may not take place for a couple months, and pricing could be in a completely different place by then. We’re really making sure that we’re properly communicating that one price that we provide today may not be the same in a couple months.”

During previous global crises, such as the COVID pandemic and the financial meltdown of 2008, the meetings and events industry has drawn optimism from what they claim is a basic human need to draw energy and inspiration from each other through face-to-face contact. The general consensus seems to be that neither Trump’s tariffs, nor his oddly intentional destruction of long-held relationships with other countries will be the thing that squashes this innate desire to convene, learn from each other and conduct business. – *Paul Nolan*

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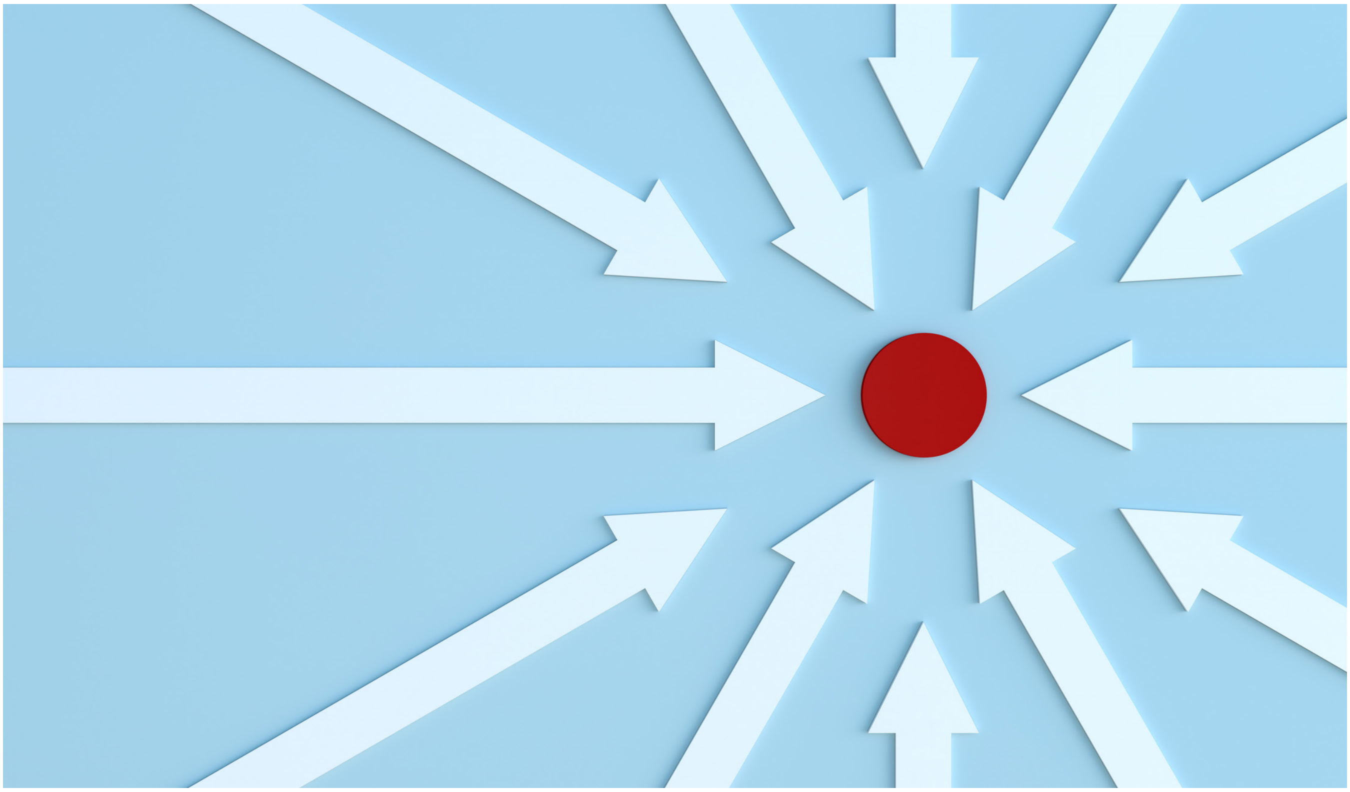


Finding the Reward Value Sweet Spot

New research helps identify the value tipping point to drive program engagement

BY PAUL NOLAN

Finding the sweet spot is an objective in many aspects of business spending. In designing incentive programs, not allocating enough budget can result in lack of enthusiasm among participants that causes a company to fall short of a program's objectives. Conversely, overspending on rewards can erode ROI to such a degree that it becomes difficult to justify the proper budget for any subsequent campaigns.

The Incentive Research Foundation (IRF) recently published results of a study it completed to help incentive program sponsors maximize spend while avoiding reward expense that yields diminishing returns in engagement and performance.

The report, entitled "Non-Cash Value Perception: Identifying the Tipping Point," sought to identify optimal reward values across a number of industries and in several workplace scenarios. Researchers used the Van Westendorp survey method — a technique commonly used to determine consumer pricing perceptions — to gain a deeper understanding of program participants' views on budgets and funding, measuring program performance, program participation and the impact of reward value on morale and retention.

Respondents were asked five questions for each scenario to determine a "tipping point" at which the dollar value of the reward would most effectively drive a desired outcome:

- What dollar value reward would you expect to receive if you accomplished this?
- At what dollar value would you consider it not worth the effort to earn the reward?
- At what dollar value would you start to consider making the effort to earn the reward?
- At what dollar value would you definitely make the effort to earn the reward?
- At what dollar value would you make extra effort to earn the reward as quickly as possible?

Stephanie Harris, president of the IRF, said the research was born from strategy sessions with the IRF board and contracted researchers. "People have been looking for how to identify the right amount to spend on rewards without spending too much. We hear regularly from end users looking for data on this," she said.

Because responses vary according to individual preferences, Harris and others involved in the research advise incentive program sponsors to poll their own participants using the same five questions to get an accurate sense of the sweet spot for their participant group.

Value Matters

The IRF surveyed 500 full-time employees or channel partners eligible for non-cash rewards programs within their organizations. The survey included a mix of age, gender, company size and geographical location. Workers in these four vertical industries were surveyed, in part to reach a wide range of income levels:

- Retail sales associates earning $15 to $25 per hour
- Insurance agents earning $60,000 to $120,000
- Financial advisors or consultants earning $75,000 to $150,000
- Operations, IT and administrative professionals earning $50,000 to $150,000

In assessing what drives participant engagement in an incentive program, the reward value clearly wins out over other factors. A full 52% said the value of the reward is key in making the program appealing—32% higher than the next highest factor). Three additional factors follow: relevance/personalized to the participant (20%); Clear and achievable objectives (17%); and variety in reward offerings (17%). Trailing that are (the always vague) "other" (11%); peer recognition (10%); and timeliness of reward achievement (7%).

When asked what factors have led to them choosing not to participate in a reward program, reward value topped all answers again (56%). The effort required to obtain the reward and the alignment of a reward to an individual's interests each garnered 22% of respondents as a factor in declining to participate.

Key Takeaways from IRF 'Tipping Point' Survey

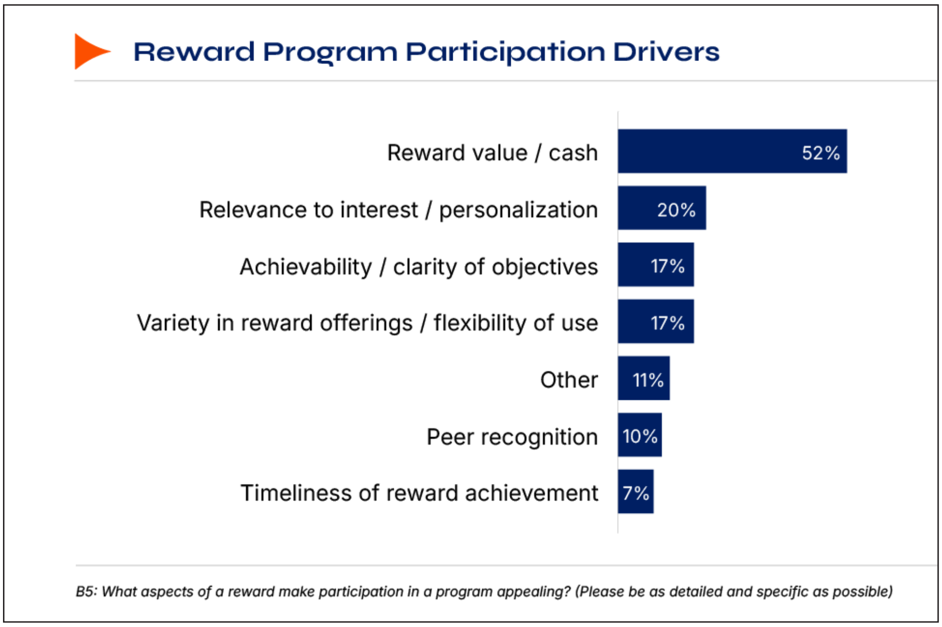
- ✓ Effective reward values are dependent on multiple factors.
- ✓ The value of the reward does not guarantee satisfaction.
- ✓ Reward value is linked to performance motivation.
- ✓ Optimal reward values are difficult to pinpoint.
- ✓ Though reward value is the primary driver for participation, other factors are significant.

Reward Value Optimization

In pursuit of the value sweet spot, respondents were asked to provide the monetary value of past reward offerings and their satisfaction with those rewards. It may be heartening for program sponsors with limited budgets to know that while reward value is a key driver of participation, the level of satisfaction held steady across a wide range of value ($214 to $390). Programs involving sales goals required a substantially higher reward value—$696—to satisfy participants.

"Participation is high when we use well-designed non-cash rewards, even if the monetary value of those rewards is lower than a cash reward may have been," one respondent stated.

Not surprisingly, respondents in the higher-salaried positions reported expecting a higher value of reward to drive their engagement than workers in jobs that paid less. If you have



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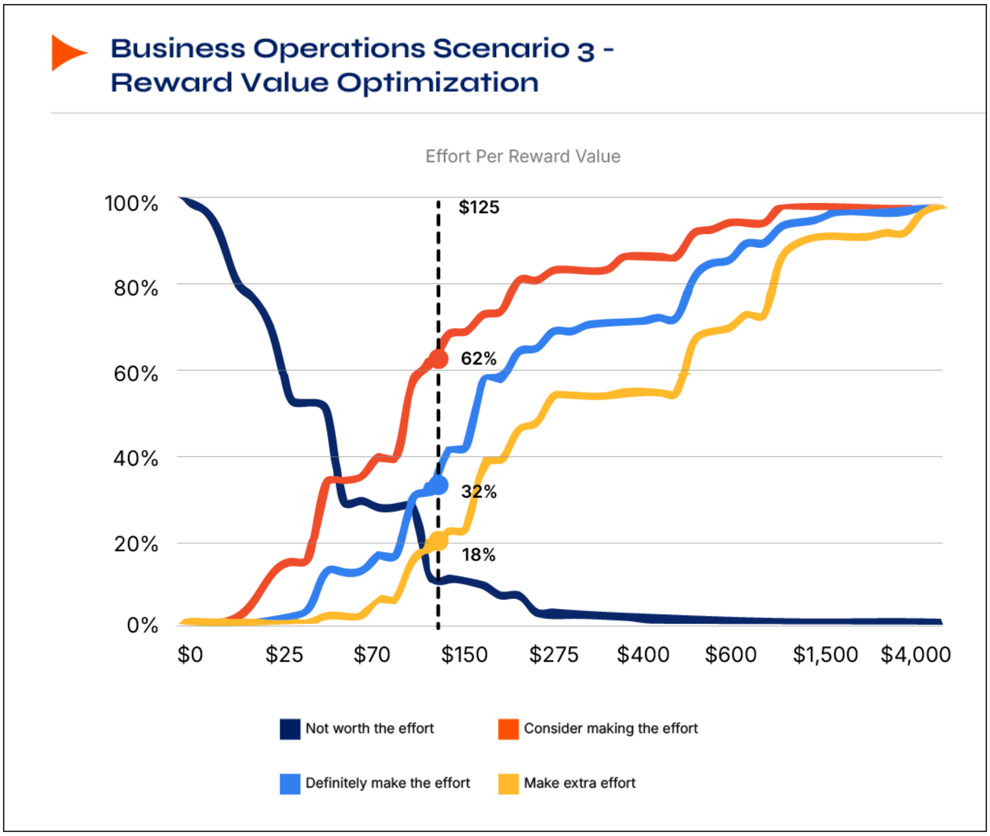

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more personal purchasing power, it requires more to make you want to put in extra effort to earn a reward.

Using the Van Westendorp survey method allows companies to adjust reward spend based on their primary objective. For example, in a program designed to inspire employees to create innovative solutions to an efficiency problem:

- 62% of respondents indicated they would consider making the effort to earn the reward.
- 32% would definitely make the effort to work toward the goal.
- 18% would exert extra effort to achieve the reward.

If the goal of the program is to maximize participation, the reward value could be established from the "definitely make the effort" curve. Under this consideration, steady increases in engagement can be achieved with reward values up to $325, at which point 70% of respondents would definitely partake in the program. Beyond this mark, the proportion of respondents who can confirm their engagement begins to plateau until reaching a reward value of $500 (83%).

Conversely, if the objective is to generate excitement among participants regarding the program and its rewards, the "make extra effort" curve should guide the incentive reward value. In this case, an optimal reward value might be around $300, as 54% of Business Operations personnel would invest extra effort to achieve the goal. Minimal changes in response are observed until reaching $500, where the participation rate increases to 57%, demonstrating that even higher reward values can drive greater engagement if the rewards budget allows.

Learn What Drives Your Participants

The report states, "to maximize the effectiveness of incentive reward programs, organizations must recognize that a one-size-fits-all approach is insufficient due to the inherent variability in participants' expectations and motivators. The findings from this study highlight the importance of understanding the specific needs and preferences of potential program participants.

"Strategic alignment between reward value and participant expectations serves to not only drive higher participation but also to enhance overall satisfaction with the incentive program. Ultimately, a customized reward program will lead to improved performance and a stronger commitment to your organization's objectives."

In an IRF webinar discussion of the survey results, Megg Withinton, vice president of analytics at Insperity, a provider of HR and performance solutions, said an important use of this type of data could be identifying what value of reward it takes to maximize engagement and motivate middle performers.

"Top performers are going to perform no matter what," Withinton said. She suggested in some scenarios, it could be appropriate for companies to narrow the size of the audience they survey to inform the discussions they want to have internally about where the tipping points are and to identify the outcomes they want to drive. SMM

Take a Thoughtful Approach to Tangible Rewards

A poorly chosen reward may be worse than no reward at all

If selecting a gift for a relative or friend whom you know well often feels tricky, imagine choosing tangible rewards for hundreds of employees, channel partners or other business associates.

A “let them choose” philosophy has led to the increased use of cash-equivalent gift cards as rewards. Critics of that strategy say cash-equivalent gift cards often get added to a household budget and the reward recipient quickly forgets they were recognized at all.

“Giving the right gift to a person who appreciates tangible rewards can send a powerful message of thanks, appreciation and encouragement,” states Paul White, co-author with Gary Chapman of “The 5 Languages of Appreciation in the Workplace.” Selecting the wrong tangible reward can have the inverse effect, leaving an employee feeling they are misunderstood and turning an expression of appreciation into a token gesture.

White offers three keys to successfully using tangible rewards as an expression of appreciation in the workplace:

- **Give tangible rewards to employees who appreciate them.** While a gift is extremely important to some individuals, it provides minimal affirmation to others. Learn your employees’ preferred language of appreciation. (White’s and Chapman’s other languages are words of affirmation, quality time, acts of service and physical touch.)
- **Give a gift the person values.** Yes, it takes time to get to know the personal interests of your employees, but that’s exactly the point. Appreciation starts with knowing those you appreciate well.
- **Add a personal touch.** It’s more than the reward that matters. Include a handwritten note that provides specifics on why you are rewarding the recipient. If the recipient is comfortable with being commended in front of peers, that is as meaningful as the reward itself. smm

Non-Cash Incentives Help Meet Market Challenges

BY NICHOLE GUNN

Channel sales and marketing leaders are under pressure to adapt amid labor shortages, policy shifts and budget constraints. Many businesses are reallocating marketing spend to stay afloat, also resulting in strain from the sales pipeline.

While many traditional marketing methods are under scrutiny, non-cash incentives — already a proven tool — are rising in importance. These incentives offer a cost-effective, impactful way to maintain performance, strengthen relationships and drive results without adding to the bottom line.

This article explores three critical lessons for marketers:

- Achieving sales targets through non-cash incentives
- Adapting to policy and compliance shifts with incentive programs
- Maximizing marketing impact with non-cash incentives during budget constraints

1. Achieving Sales Targets Through Non-Cash Incentives

- **The Challenge:** Labor shortages are taking a significant toll on industries such as agriculture and energy, making it more challenging for companies to meet production and sales targets. This issue is expected to worsen due to shifting immigration policies, which may further limit the labor pool (42% of U.S. crop workers currently lack legal work authorization). With a shrinking and harder-to-retain workforce, organizations are scrambling to find effective ways to boost employee motivation and retain talent across teams.
- **Solution:** Non-cash incentives can serve as a strategic tool for reaching sales targets despite labor challenges by motivating employees and partners to stay engaged and productive. Incentive programs that reward specific behaviors, such as achieving efficiency targets or meeting key performance milestones, can help keep the workforce motivated without adding additional payroll costs. A study indicated that 52% of all employees would work harder if they were better recognized, underscoring the impact of recognition on productivity.
- **Results:** Extu helped JCB, a global leader in construction and agricultural equipment, strengthen its incentive program. By implementing a secure debit card rewards system, JCB North America reduced fraud, streamlined program management, and saved valuable internal resources. This solution not only ensured JCB's sales force stayed engaged and motivated, but also reduced program expenses by 13%. For companies navigating workforce shortages, effective incentive programs can improve operational efficiency, boost employee performance, and drive cost savings — all without increasing labor costs.

2. Adapting to Policy and Compliance Shifts with Incentive Programs

- **The Challenge:** As regulations and policies continue to evolve, industries are faced with the need to adapt quickly while maintaining operational efficiency. This is forcing manufacturers, particularly in solar and other renewable energy markets, to pivot their strategies and target more commercially viable sectors. With increased scrutiny on compliance and the added pressure of navigating policy shifts, companies need to find ways to incentivize performance and maintain momentum without overextending budgets.

- **The Solution:** Incentive programs can be specifically designed to encourage compliance by rewarding employees or partners who meet new policy standards or complete training related to updated regulations. Rather than relying on penalties for non-compliance, businesses can use positive reinforcement to motivate behavior that aligns with new guidelines. For instance, manufacturers in the renewable energy sector could create incentive programs to reward dealers or distributors who hit key compliance benchmarks or generate sales in the residential and commercial sectors, ensuring that new business models are quickly adopted and reinforced.
- **The Results:** By aligning incentive programs with compliance and sales objectives that motivate dealers and contractors to prioritize commercial projects, solar manufacturers can expect to see a measurable increase in sales in their residential and commercial markets. One manufacturer saw a 32% increase in sales from participating distributors. Tracking metrics such as dealer participation rates and the number of units sold in each market segment will help assess program success and guide future incentive structures.

3. Maximizing Marketing Impact with Non-Cash Incentives During Budget Constraints

- **The Challenge:** Sales and marketing leaders are under increasing pressure to deliver high-impact results without inflating costs. With rising costs across industries — whether from material shortages, tariffs, or inflation — companies are forced to reconsider traditional marketing and incentive strategies. The challenge lies in maintaining strong marketing momentum and driving sales, all while keeping expenses in check and aligning with financial constraints.
- **The Solution:** Instead of relying on expensive cash bonuses or traditional marketing strategies, companies can focus on rewards like gift cards, unique experiences or even exciting trips to engage employees and partners. These types of incentives provide tangible motivation for achieving sales targets or participating in marketing initiatives while reducing the financial burden on the business. Additionally, incorporating technology-driven platforms to track engagement and performance can further optimize marketing campaigns and boost overall ROI.
- **The Results:** Organizations that strategically integrated non-cash incentives into their marketing efforts saw a boost in engagement and performance, even in a tight-budget environment. Non-cash incentives have been linked to substantial improvements in customer retention and revenue growth. According to *Harvard Business Review,* customer acquisition costs five to 25 times more than customer retention, and increasing customer retention by just 5% can yield a 25% increase in profit. This means that implementing or expanding an incentive program for existing channel partners is a wise choice for channel marketing teams on tighter budgets. These statistics underscore the effectiveness of non-cash incentives in driving marketing success, even amidst budget constraints.

The Future of Non-Cash Incentives

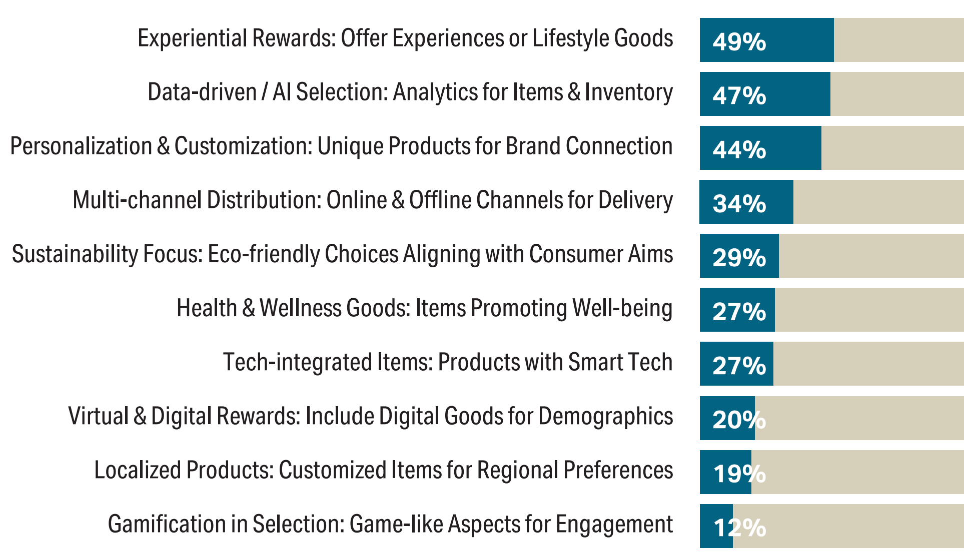
With labor shortages, shifting policies, and tighter budgets, businesses are being forced to get creative — fast. Non-cash incentives are proving to be one of the best ways to do just that. They're cost-effective, they boost performance, and they help keep everyone motivated without draining your resources.

Looking ahead, the companies that use non-cash rewards to tackle these challenges, whether it's keeping your best people, staying on top of policy changes, or building stronger customer relationships, are the ones that will come out on top.

Nichole Gunn is the global chief marketing officer at Extu, a full-service business incentive company.

Insiders' Insights on Reward Trends

The Incentive Marketing Association (IMA) recently surveyed non-cash incentive and reward suppliers for an in-depth trends analysis of the industry. They were asked which incentive merchandise trends will significantly impact their business in the upcoming years. The shift to experiential rewards over "stuff" topped the trends list, followed by AI's impact on reward inventory. Personalization and customization is also expected to be a significant factor impacting reward selection.



Why Non-Cash Rewards Hit Harder – and Smarter

BY DOROTHY WOLDEN

Salespeople love a win. It's in their DNA.

But what fuels that next big push — the moment they stretch a little further and go the extra mile?

Hint: It's not always cash. In fact, it usually isn't.

While commissions and bonuses have their place, research shows that non-cash rewards — personalized, memorable, emotionally resonant experiences — often outperform cash when it comes to motivation, momentum and connecting people to performance. Here's what the data says — and why non-cash rewards move the needle.

Recognition That Tells a Story

On paper, cash looks clean. It's simple and straightforward. But when it comes to driving action, psychology says otherwise.

Behavioral economics and workplace studies consistently show that tangible, non-cash rewards deliver higher emotional engagement and longer-lasting impact. Why? Because cash gets absorbed — used for bills, gas, groceries — then forgotten.

Non-cash rewards become stories. That shiny new guitar, weekend getaway or pair of Bose headphones? They create an emotional bridge between the reward and the behavior that earned it.

In a six-month sales incentive program across 900 Goodyear stores, half offered cash, the other half offered merchandise. The result? Non-cash stores outperformed cash by 46%, and delivered a 31% ROI compared to a negative 20% for the cash-based teams.

It's not an outlier. In a Wichita State University study, participants rated tangible non-cash items (gifts like HDTVs) more satisfying than cash, even if they initially said they'd prefer the money. These rewards feel earned. They break the mold of compensation and hit the emotional sweet spot.

Numbers Don't Lie – They Motivate

You don't have to take our word for it. Let's look at revenue. A study published in the *Harvard Business Review* found that businesses with successful recognition and incentive strategies saw a 44% average increase in revenue, not because they spent more, but because they got smarter about what inspires people.

When one study shifted from a mixed incentive structure (cash *plus* non-cash) to an all-cash model, sales dropped by 4.36%. That wasn't a fluke. It reflected a real drop in emotional buy-in and motivation.

The Goodyear case study? A 46% sales bump and a 31% ROI. That's not just better results, it's better business.

Smart Companies Are Investing in Non-Cash Rewards

Still not convinced? Here's what top-performing firms consistently report:

- Greater buy-in from managers and executives (up to 93% in leading companies).
- Increased program participation rates, with "excellent" engagement rising 11% year over year.
- Strong cross-departmental collaboration when designing and executing recognition programs, because when non-cash rewards are done right, they unify.

If you're trying to drive sales and keep your top performers engaged, the message is clear: skip the cash, craft a moment.

The What and Why of Non-Cash Rewards

Nobody's getting misty-eyed over a $100 check. It pays a bill, then it's gone. But a sleek Shinola watch? A boutique hotel weekend for two? A personalized gift they actually chose? That sticks. Here's what works and why:

- **Experiential Rewards –** No one remembers a $50 card. But they do remember if they put it toward front-row concert tickets or that trip to Maui they'll talk about for

years. These rewards become part of your brand story. And bonus: they're social media gold.

- **Personalized Gifts –** Cultivate's online gifting platform lets recipients choose from curated collections based on their style and your budget. Say goodbye to guesswork and those generic mugs. Give them something they actually want — and will associate with you.

- **Real Recognition –** Trophies are fine, but what about public praise from a senior leader? A shout-out in front of peers? A branded plaque commemorating a major win? These moments matter. A recent Gallup and Workhuman study found that when employees feel properly recognized, 73% are less likely to feel burned out, and 56% are less likely to look for a new job. That's retention in action.

- **Wellness and Development Perks –** Think spa kits, fitness trackers or access to courses that support their long-term goals. These show you're not just trying to get more out of them, you're helping them grow. That builds trust.

- **Incentive Gifting With Built-in Choice –** At Cultivate, we call it thoughtful appreciation at scale. Whether a one-off "thank you" or a full-on sales incentive program, our gifting experiences deliver the thrill of surprise *with* the comfort of choice. Online or onsite, it's easy to tailor the reward to the moment without losing the human touch. And when people feel they have a say in the reward, they're that much more driven to earn it.

How to Measure ROI on Non-Cash Sales Incentives

Good incentives feel great. Great ones *perform*. Here's how top-performing teams measure the impact of their incentives:

- **Start with Clear KPIs –** Tie each incentive to a measurable goal such as sales growth, pipeline value or lead conversion. If you can't track it, you can't improve it.

- **Layer in Engagement Metrics –** Redemption rates, repeat participation and organic mentions on Slack or LinkedIn. These subtle cues speak volumes.

- **Compare Performance Across Program Types –** Want to prove that non-cash beats cash? A study by The Aberdeen Group shows non-cash rewards cost less per performance gain than cash. (We're talking $0.04 per dollar of improvement vs. $0.12 for cash.)

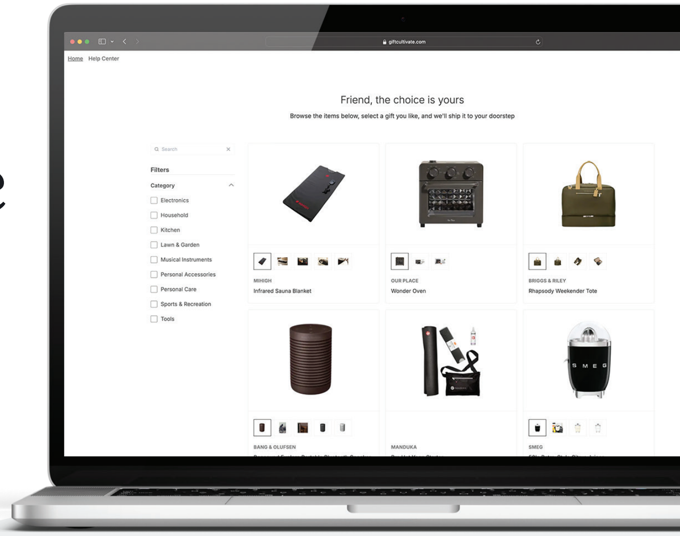
- **Use Feedback to Refine –** Use surveys or direct conversations to refine the program. Evolve with your people. Stay relevant.

Cash disappears. Non-cash rewards stay visible, spark emotion and create lasting impressions. They fuel performance not just in the moment, but long after.

Dorothy Wolden is vice president of marketing at Cultivate, a provider of an online corporate gifting platform as well as on-site gifting services at meetings, group incentive travel experiences and other corporate events.

Unlock Peak Sales Performance with Cultivate

Ignite your Non-Cash Incentive program with premium gifting solutions that inspire, motivate, and reward excellence - from energizing quarterly contests to year-long challenges.



Send a gift

Cultivate's Online Gifting Platform

- ✓ Easy setup and instant access in 10 mins or less
- ✓ No contracts or sales pitches required
- ✓ Add multiple users and teams to the platform
- ✓ Only pay when gifts are redeemed

Why gifting is effective as a non-cash incentive

Strategic gifting offers tangible, personalized rewards that your team members can anticipate and work towards, creating a positive feedback loop of effort and recognition that fuels ongoing success.

Select Your Gift!

Transform your sales strategy with strategic appreciation today!

Cultivate

Do Incentives Really Motivate? It Depends.

BY PAUL YOACHUM

Each year companies use incentives to motivate their people — gift cards, travel awards, choices of merchandise. Non-monetary incentives are a $90 billion-dollar industry and growing.

While we certainly support the idea of rewarding employees for their good work, we can't help but remember meeting an outstanding sales professional who, for two years in a row, won a trip to Hawaii as one of his company's top producers. Sheepishly, he admitted that he'd never taken the trips; he was terrified of flying.

The problem we find is that many companies use non-cash incentives with the best of intentions, but without really knowing what motivates their people. And most of our people are motivated in wildly different ways.

A few years ago, we worked with eminent psychologists Dr. Travis Bradberry and Dr. Jean Greaves, authors of "Emotional Intelligence 2.0," to develop the Motivators Assessment, a scientific test to determine a person's core motivators. After tests with working adults around the world, the results showed that humans share a group of 23 fundamental motivators that drive us at work. Each of us varies in which of these specific drivers are most important to us and the particular order of priority. Some are primarily driven by teamwork and challenge, others more by ownership and service, still others creativity and learning.

Think of this as akin to the way DNA shapes each person. Those with the same educational degree, those in the same profession, even those in the same family may be motivated by very different things.

More than 200,000 people have completed the Motivators Assessment, and we've found that each person has a motivation fingerprint that can help a manager understand how best to reward them. Some workers thrive on recognition, such as receiving a gift card from their boss, while others are minimally motivated by that. Some who are strongly motivated by a spot cash reward, while others feel more appreciated if they are rewarded with the privilege to lead a project. Some people would love to be recognized with an opportunity to become a mentor, while others would find such a task to be an intimidating burden.

Managers who have a more refined understanding of the motivators of their employees are able to find more effective ways to reward them. Yes, it may take more time and effort, but the benefits for those who do this can be profound.

One manager who benefitted from the process is Diane Weed, vice president of the Denver division of Wendy's. Weed has eight direct reports who oversee all the restaurants and the

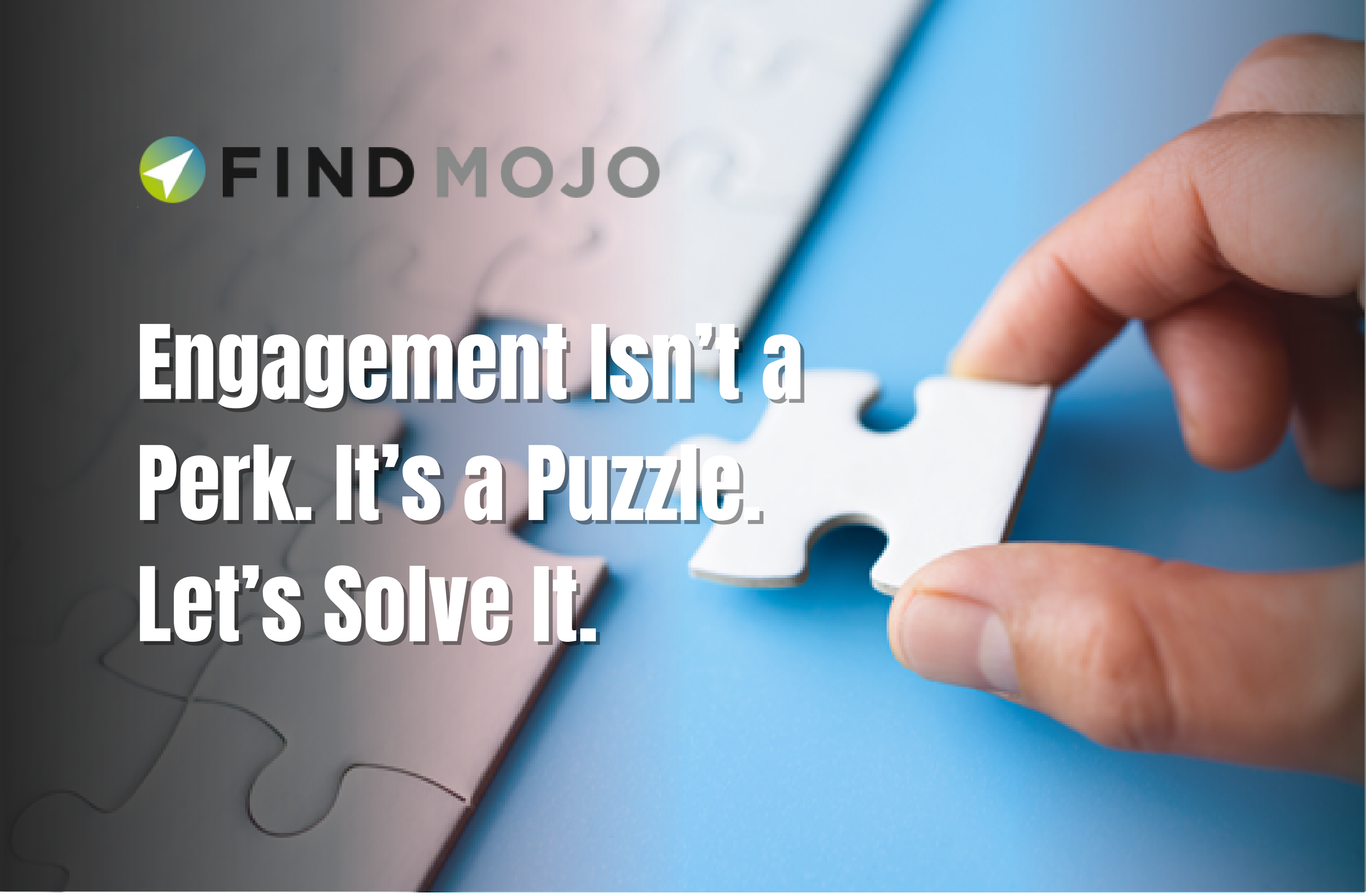
thousands of Wendy's teammates in the Rocky Mountain area. She put her team members' Motivators Assessment results on a grid and examined the similarities, uniqueness and cautions.

An eye-opener, Weed told us, was that seven of her eight team members had "Learning" as a top driver. For her, it fell in the bottom three. That information has helped her ensure she's rewarding her team members with opportunities to learn and grow. That sends powerful messages: Not only is the company willing to invest in these employees and help them move forward in their careers, but their manager actually knows and cares about the specific things they find motivating.

Leaders who want to retain top talent in this competitive environment must learn what drives each worker and tailor rewards to individual preferences. Conventional wisdom has long been that all members of a company will be motivated by the same incentives (and it's often what the boss thinks is rewarding). That's old-school thinking that is preventing leaders from maximizing their team's performance.

Paul Yoachum is the co-founder and managing partner of FindMojo, a research-based assessment and training company, and creator of the Motivators Assessment, the world's No. 1 solution for workplace motivation.

Curious about what truly motivates you or your team? Get started by taking the Motivators Assessment for free at motivators.findmojo.com.



Engagement Isn't a Perk. It's a Puzzle. Let's Solve It.

Employees aren't disengaged because they're lazy — they're disengaged because their work doesn't motivate them. But what if you could decode what truly drives your people?

FindMojo's Motivators Assessment™ is the world's most scientifically valid tool for discovering what intrinsically motivates each employee — helping leaders create roles, projects, and team cultures that align with those motivators.

Trusted by 75% of the Fortune 500, FindMojo's proven programs reignite energy, engagement, and performance. Disengagement costs billions. Let's flip the script by helping your team do more of what they love — and less of what burns them out.

Take the Motivators Assessment for Free.
Get started at:
motivators.findmojo.com