

# Bonus Programs and Practices

A report by  
WorldatWork  
April 2011

 research

  
**WorldatWork**<sup>®</sup>  
The Total Rewards Association

## About WorldatWork®

### The Total Rewards Association

WorldatWork ([www.worldatwork.org](http://www.worldatwork.org)) is a not-for-profit organization providing education, conferences and research focused on global human resources issues including compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955, WorldatWork has nearly 30,000 members in more than 100 countries. Its affiliate organization, WorldatWork Society of Certified Professionals®, is the certifying body for the prestigious Certified Compensation Professional® (CCP®), Certified Benefits Professional® (CBP), Global Remuneration Professional (GRP®), Work-Life Certified Professional™ (WLCP®), Certified Sales Compensation Professional™ (CSCP™), and Certified Executive Compensation Professional™ (CECP™). WorldatWork has offices in Scottsdale, Arizona, and Washington, D.C.

*The WorldatWork group of registered marks includes: Alliance for Work-Life Progress® or AWLP®, workspan®, WorldatWork® Journal, and Compensation Conundrum®.*



## Contact:

WorldatWork Customer Relations

14040 N. Northsight Blvd.

Scottsdale, Arizona USA

85260-3601

Toll free: 877-951-9191

Fax: 480-483-8352

[CustomerRelations@worldatwork.org](mailto:CustomerRelations@worldatwork.org)

---

©2011 WorldatWork Any laws, regulations or other legal requirements noted in this publication are, to the best of the publisher's knowledge, accurate and current as of this report's publishing date. WorldatWork is providing this information with the understanding that WorldatWork is not engaged, directly or by implication, in rendering legal, accounting or other related professional services. You are urged to consult with an attorney, accountant or other qualified professional concerning your own specific situation and any questions that you may have related to that.

No portion of this publication may be reproduced in any form without express written permission from WorldatWork.

## Introduction & Methodology

This report summarizes the results of a December 2010 survey of WorldatWork members to gather information about current trends in workplace bonus programs. The research is designed to measure prevalence data on each of the types of bonus programs, but also provide common eligibility criteria, payout averages and other details about how the programs are administered.

On Dec. 15, 2010, survey invitations were sent electronically to 5,164 WorldatWork members. Members selected for participation were all members that specified total rewards as their specific function area along with randomly selected members who had designated a responsibility level of executive, top or senior-level. The survey was open to all members meeting specific criteria domestic, Canadian and foreign.

The survey closed on Jan. 7, 2011, with 1,075 responses, a 21% response rate. The final dataset was cleaned, resulting in a final dataset of 1,023 responses.

In order to provide the most accurate data possible, data were cleaned and analyzed using statistical software. Any duplicate records were removed. Data comparisons with any relevant, statistically significant differences are noted with this report.

The demographics of the survey sample and the respondents are similar to the WorldatWork membership as a whole. The typical WorldatWork member works at the managerial level or higher in the headquarters of a large company in North America.

The frequencies or response distributions listed in the report show the number of times or percentage of times a value appears in a dataset. Due to rounding, frequencies of data responses provided in this survey may not total exactly 100%.

## Table of Figures

Figure 1: Prevalence of Bonus Programs by Type.....	6
Figure 1a: Prevalence of Bonus Programs by Type and Year .....	6
Figure 2: Prevalence of Sign-on Bonus Programs .....	7
Figure 3: Prevalence of Those Considering a Sign-On Bonus Program .....	7
Figure 4: Positions Eligible for the Sign-On Bonus Program .....	7
Figure 5: How Sign-On Bonuses are Awarded.....	8
Figure 6: Sign-On Bonus Distribution .....	8
Figure 7: Sign-On Bonus Forfeit or Payback.....	9
Figure 8: Average Sign-On Bonus Amount by Position.....	9
Figure 9: Sign-On Bonus Allocation .....	10
Figure 10: Prevalence of Referral Bonus Programs .....	10
Figure 11: Prevalence of Those Considering a Referral Bonus Program.....	10
Figure 12: Positions Eligible for the Referral Bonus Program .....	11
Figure 13: Referral Bonus Eligibility by Recruitment Position.....	11
Figure 14: Referral Bonus Allocation.....	12
Figure 15: Referral Bonus Full Allocation Time Limit.....	12
Figure 16: Average Referral Bonus Amount by Position .....	13
Figure 17: New Hires Through Referral Bonuses.....	13
Figure 18: Referral Bonus Awarded .....	14
Figure 19: Prevalence of Spot Bonus Programs .....	14
Figure 20: Prevalence of Those Considering a Spot Bonus Program .....	14
Figure 21: Reasons for Spot Bonuses.....	15
Figure 22: Positions Eligible for the Spot Bonus Program.....	15
Figure 23: Maximum Spot Bonuses Awarded .....	16
Figure 24: Spot Bonus and Offset Tax Impact .....	16
Figure 25: Spot Bonuses Awarded in the Past 12 Months .....	17
Figure 26: Prevalence of Retention Bonus Programs .....	17
Figure 27: Prevalence of Those Considering a Retention Bonus Program .....	17
Figure 28: Retention Bonus Formality .....	18
Figure 29: Positions Eligible for the Retention Bonus Program.....	18
Figure 30: Retention Bonus Length of Service and Eligibility.....	19
Figure 31: Retention Bonus Compensation Method.....	19
Figure 32: Retention Bonus Calculation .....	20
Figure 33: Retention Bonus Average Dollar Amount.....	20
Figure 34: Retention Bonus Distribution.....	21
Figure 35: Feature or Marketing of Bonus Programs .....	21
Figure 36: Perceived Effect of Bonus Programs .....	21
Figure 37: Bonus Programs by Organization Size .....	22
Figure 38: Bonus Programs by Organization Type .....	22
Figure 39: Bonus Programs by Select Industry .....	22
Figure 40: Bonus Programs and Impact on Engagement.....	23
Figure 41: Bonus Programs and Impact on Motivation.....	23
Figure 42: Bonus Programs and Impact on Satisfaction .....	23
Figure 43: Bonus Programs by Use in Attraction .....	24
Figure 44: Bonus Programs by Voluntary Turnover Rates.....	24
Figure D1: Number of Employees .....	25
Figure D2: Organization Type .....	25
Figure D3: Industry.....	26
Figure D4: Voluntary Turnover .....	26

## Executive Summary

Many would say that the economic shift in recent years has left little in the business world unscathed. Total rewards professionals have expressed the same concerns about bonus programs, so WorldatWork opted to update the *Survey on Bonus Program Practices*, last conducted in 2008.

While bonus programs remain prevalent, all programs are in use by fewer organizations now, when compared to 2008. New findings also suggest that although most respondents indicated a positive effect of bonus programs on employee engagement, motivation and satisfaction (See Figure 36), very few are consistently featuring any bonus programs when recruiting, not even sign-on bonuses (See Figure 35). The effects on retention are more uncertain, however; the mere offering of specific bonuses does not have a clear tie to voluntary turnover rate. Differences in the offerings of each program between low, medium and high turnover groups were identified, but it is unclear as to whether any direct relationship exists because of the variety of combinations of programs typically offered and a number of other possible factors not measured in this survey.

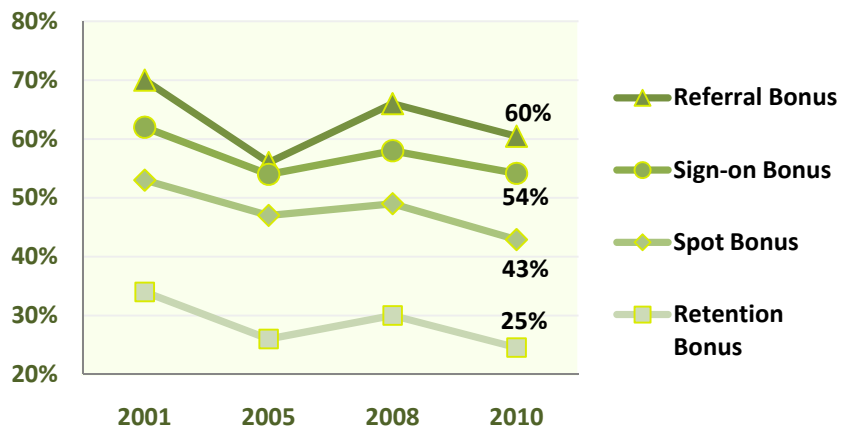
There is more to investigate with regards to bonus programs and attraction and retention, but in serving the primary purpose of this survey update, shifts in bonus programs and practices over the past few years have been discovered and are noted.

### Bonus Program Prevalence

Reports of bonus program usage have fluctuated with each version of this survey over the past 10 years. However, prevalence of all four bonus programs surveyed has been generally on the decline since the survey was first conducted in 2001. Although usage did appear to be on the rise in 2008, new findings suggest that bonus program offerings may be contracting some.

Survey results confirm that referral bonus programs remain the most prevalent while retention bonus programs are the least common. All bonus programs appear to be following similar trends though; the percentages have fallen in each category since the survey was last conducted in 2008.

Percent of Organizations Offering Each Type of Bonus



Given the severely depressed job market during the past 24 months, some decline in the use of referral, sign-on and retention bonuses is to be expected. Also as a result of difficult economic times, budgets for spot bonuses may have been impacted. As the economy and labor market continues to recover, utilization of these programs may rebound.

Nine percent of participating organizations are using all four types of bonus programs while 40% award only one type of bonus (See Figure 1). Fifteen percent do not have any bonus programs in place and most of those organizations have no immediate plans to implement them.

When organization size comes into play, sign-on and retention bonuses are least prevalent among small organizations (less than 100 employees) and most prevalent among very large organizations (20,000+ employees). Referral bonus programs are also least prevalent among small organizations but interestingly most prevalent among slightly larger organizations (100-999 employees). Spot bonus programs showed roughly equal prevalence among employers of all sizes (See Figure 37). One possible reason for a higher use of sign-on and retention bonuses among large companies is that those that are being hired or retained may have offers from other potential employers involving bonuses as well. The fact that employers with 100-999 employees have the highest prevalence of referral bonus usage may indicate that employers of this size will have ongoing vacancies to fill but may have limited recruiting budgets. The use of referral bonuses is a cost-effective recruitment tool.

### Sign-On Bonuses

- Among organizations that offer sign-on bonuses, most positions within the organization are eligible. Only clerical positions are the exception, with only about one-third of organizations (32%) offering sign-on bonuses to this employee group. (See Figure 4.)
- Roughly two-thirds of organizations (68%) pay the sign-on bonus in one payment with the rest of organizations paying some money up-front and the remainder after a set period of time; one year after hire is the most common period of time. (See Figure 6.)
- Executive-level employees receive the largest sign-on bonuses with 31% of organizations paying between \$10,000 and \$24,999 and 52% paying \$25,000 or more.
- Supervisors, professionals and middle management most frequently receive bonuses of \$5,000 to \$9,999 while upper and executive management most frequently receive bonuses of \$10,000 to \$24,999. (See Figure 8.)
- The most common amount for all positions below middle manager is \$1,000 to \$4,999.
- More than half of participating organizations (54%) reported that the number of sign-on bonuses awarded has remained about the same during the past 12 months while 30% indicated a decline and 16% revealed an increase. (See Figure 9.)

### Referral Bonuses

- Referral bonuses are common for most positions, but executives are generally eligible to a lesser degree — only 33% of organizations allow executives to receive referral bonuses. (See Figure 12.)
- Nearly 7 in 10 organizations (69%) pay the referral bonus in one payment. The rest split the referral bonus so that some is paid immediately and the remainder after a set period of time. For employers who do not split the payment, 71% indicated a minimum employment period has to be met before the payment can be awarded. (See Figure 14.)
- The most common bonus for referring candidates in all position levels except for clerical is between \$1,000 and \$2,499. For clerical positions, \$500 to \$999 is the most common award. (See Figure 16.)

- When a referral bonus program is in place, 13% of new hires, on average, come from referrals. (See Figure 17.)
- Sixty-four percent of organizations said the number of referral bonuses awarded during the past 12 months has stayed about the same, with 17% indicating a decrease and 19% cited an increase. (See Figure 18.)

### Spot Bonuses

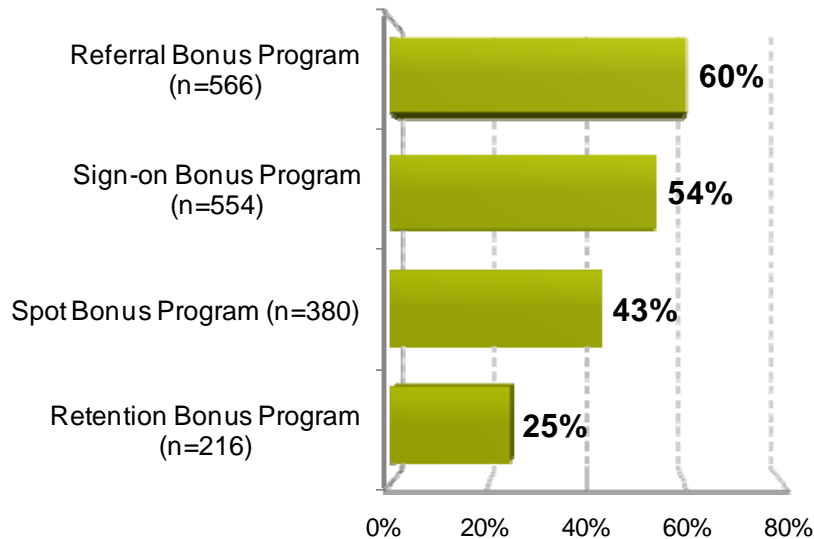
- Spot bonuses are most commonly given for “special recognition” (89%), “above and beyond” (88%) and “project completion” (72%). (See Figure 21.)
- Nearly all organizations report that employees below upper management are eligible for spot bonuses. Eligibility slips some for the top tiers though — only 62% said that upper management is eligible and 42% for executives. (See Figure 22.)
- For middle managers, supervisors and professionals, a maximum award of \$2,500 to \$5,000 is usually in place for spot bonuses. For executives and upper management, the maximum is most commonly above \$5,000, with all other employee groups subject to a \$1,000 to \$2,499 maximum payment. (See Figure 23.)
- The practice of grossing up the award to cover tax liability continues to be used by just 16% of organizations, with 31% grossing up the awards on a case-by-case basis and 53% of organizations never grossing up the award. (See Figure 24.)
- The number of spot bonuses awarded in the past 12 months has stayed about the same for 61% of organizations. Fourteen percent indicated a decrease and 24% an increase. (See Figure 25.)

### Retention Bonuses

- Seven in every 10 organizations base the decision to award a retention bonus on management discretion with the remaining 30% based on formal eligibility criteria and guidelines. (See Figure 28.)
- Most employee groups are eligible to receive retention bonuses; clerical employees are the least likely but still eligible at 61% of participating organizations. (See Figure 29.)
- A lump sum payment is the most common practice, used by roughly two-thirds of organizations depending on employee group. (See Figure 31.)
- A flat dollar amount is the most common calculation method, in use at over a third of participating organizations. Management discretion calculating the bonus as a percent of base salary is common as well, in use by about a quarter of organizations. (See Figure 32.)
- Forty-seven percent of organizations indicated the number of retention bonuses awarded during the past 12 months has stayed about the same. Twenty-five percent said they have seen a decrease, and 29% indicated an increase. (See Figure 34.)

## Results and Analysis

Figure 1: Prevalence of Bonus Programs by Type



- Forty percent of organizations reported only offering one type of bonus program<sup>1</sup>.
- Two was the average number of bonus programs offered<sup>1</sup>.
- Fifteen percent of the sample did not offer any bonus programs.
- Nine percent of the sample offer all four types of bonus programs.
- Seventeen percent of organizations offer a referral bonus program without offering any other type of bonus program<sup>1</sup>.
- Fifteen percent of the sample offer only the sign-on bonus program.
- Twelve percent of the survey sample offer sign-on, referral and spot bonus programs in combination<sup>1</sup>.

Figure 1a: Prevalence of Bonus Programs by Type and Year

Year	2001 (n=133)	2005 (n=477)	2008 (n=240)	2010 (n=1023)
Referral Bonus Program	70% <sup>2</sup>	56%	66%	60%
Sign-On Bonus Program	62%	54%	58%	54%
Spot Bonus Program	53% <sup>3</sup>	47%	49%	43%
Retention Bonus Program	34% <sup>4</sup>	26%	30%	25%

<sup>1</sup> Data excludes organizations that did not offer any bonus programs.

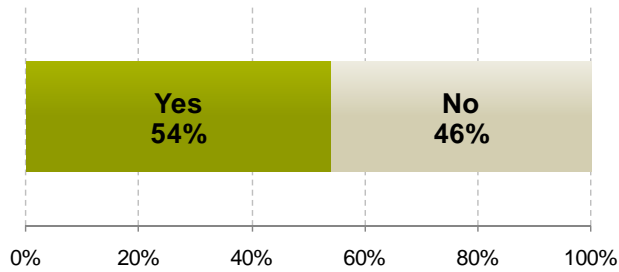
<sup>2</sup> Organizations in 2001 offered referral bonuses at statistically significantly higher rates (70%) than offered in 2005 (56%) and in 2010 (60%).

<sup>3</sup> Organizations in 2001 offered spot bonuses at statistically significantly higher rates (53%) than offered in 2010 (43%).

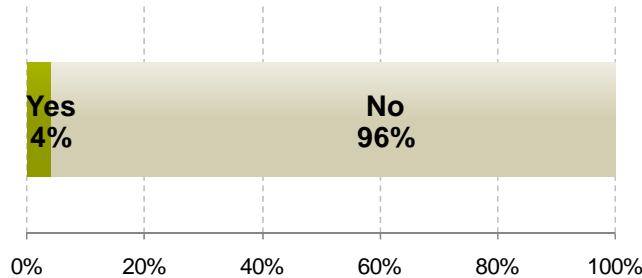
<sup>4</sup> Organizations in 2001 offered retention bonuses at statistically significantly higher rates (34%) than offered in 2010 (25%).



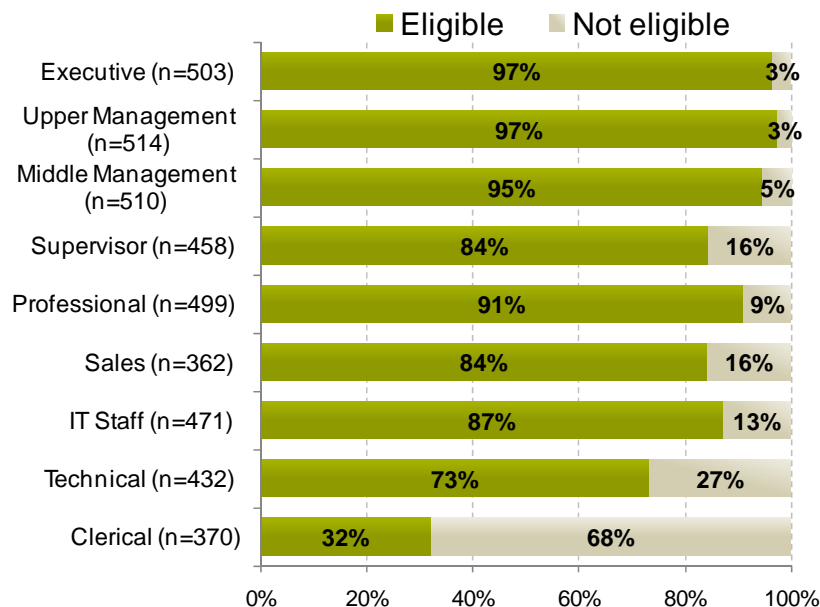
**Figure 2: Prevalence of Sign-On Bonus Programs**  
 “Does your organization currently have a sign-on bonus program?” (n= 1023)



**Figure 3: Prevalence of Those Considering a Sign-On Bonus Program**  
 “Are you considering implementing a sign-on bonus program?” (n= 466)  
 Only participants answering no in Figure 2 received this question.



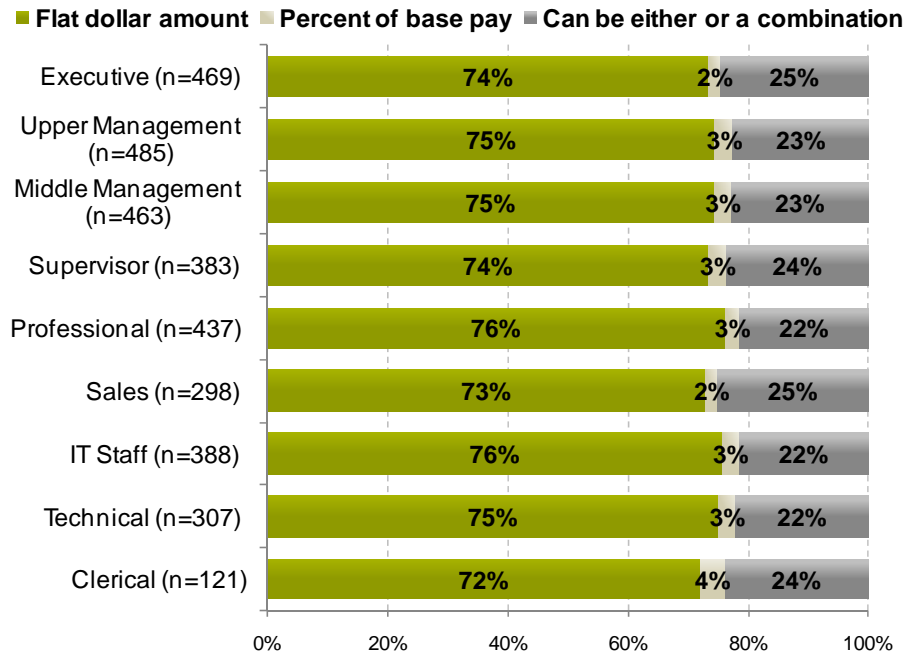
**Figure 4: Positions Eligible for the Sign-On Bonus Program**  
 “Which of the following positions in your organization are eligible for sign-on bonuses?” (Check all that apply.) (n varies)  
 Only participants answering yes in Figure 2 received this question.



**Figure 5: How Sign-On Bonuses Are Awarded**

“For the positions above that you indicated receive sign-on bonuses, how are the sign-on bonuses awarded?” (n varies)

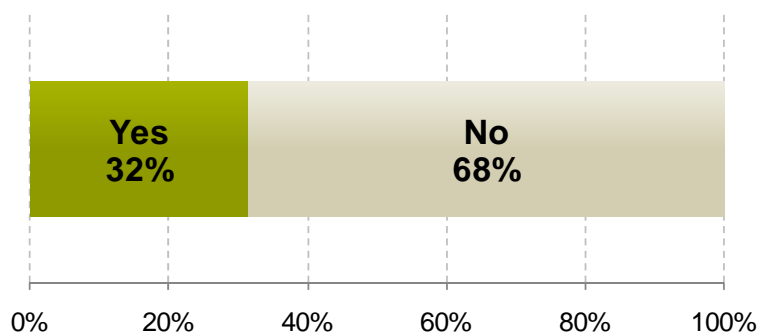
Only participants answering yes in Figure 2 received this question.



**Figure 6: Sign-On Bonus Distribution**

“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?” (n= 499)

Only participants answering yes in Figure 2 received this question.



**Figure 7: Sign-On Bonus Forfeit or Payback**

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

Only participants answering yes in Figure 2 received this question.

Option	No provision for forfeit or payback	First 3 months	First 6 months	First year	Other
Executive (n=446)	18%	4%	4%	60%	13%
Upper Management (n=465)	18%	5%	5%	60%	12%
Middle Management (n=448)	17%	6%	6%	59%	11%
Supervisor (n=367)	17%	5%	5%	61%	12%
Professional (n=418)	18%	5%	6%	60%	12%
Sales (n=289)	17%	6%	6%	60%	12%
IT Staff (n=376)	16%	5%	7%	62%	11%
Technical (n=293)	17%	4%	6%	61%	12%
Clerical (n=114)	18%	5%	4%	61%	13%

**Figure 8: Average Sign-On Bonus Amount by Position**

“On average, during the past 12 months, what is the amount paid as a sign-on bonus for the following positions?” (n varies)

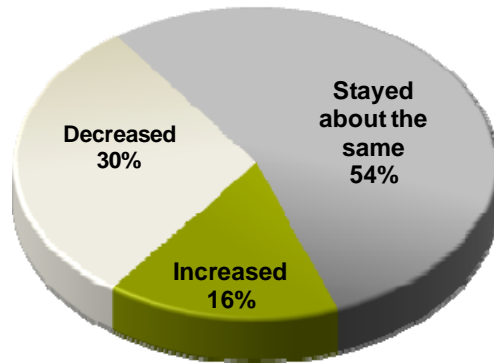
Only participants answering yes in Figure 2 received this question.

Option	<1,000	\$1,000-\$4,999	\$5,000-\$9,999	\$10,000-\$24,999	\$25,000-\$49,999	>\$50,000
Executive (n=296)	1%	4%	12%	31%	26%	26%
Upper Management (n=330)	2%	9%	24%	41%	16%	7%
Middle Management (n=334)	2%	22%	43%	25%	7%	1%
Supervisor (n=257)	4%	47%	37%	11%	1%	1%
Professional (n=334)	4%	47%	37%	11%	1%	1%
Sales (n=195)	6%	37%	35%	18%	2%	1%
IT Staff (n=271)	7%	47%	36%	9%	0%	0%
Technical (n=220)	11%	49%	32%	8%	1%	1%
Clerical (n=69)	44%	45%	9%	1%	0%	1%

**Figure 9: Sign-On Bonus Allocation**

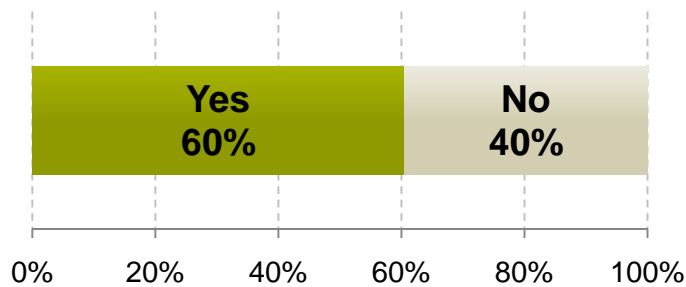
“In the past 12 months, has the general number of sign-on bonuses awarded to employees increased, decreased or stayed the same?” (n= 429)

Only participants answering yes in Figure 2 received this question.



**Figure 10: Prevalence of Referral Bonus Programs**

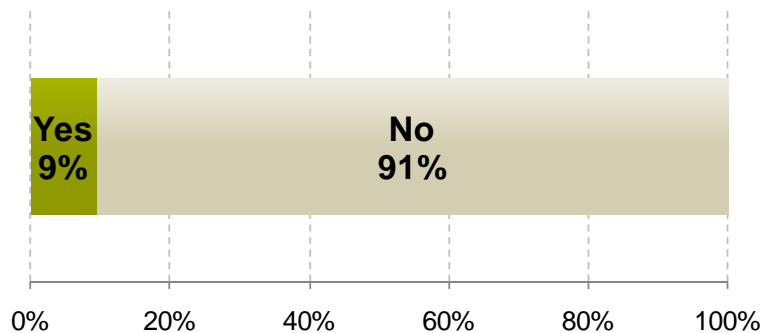
“Does your organization currently have a referral bonus program?” (n= 936)



**Figure 11: Prevalence of Those Considering a Referral Bonus Program**

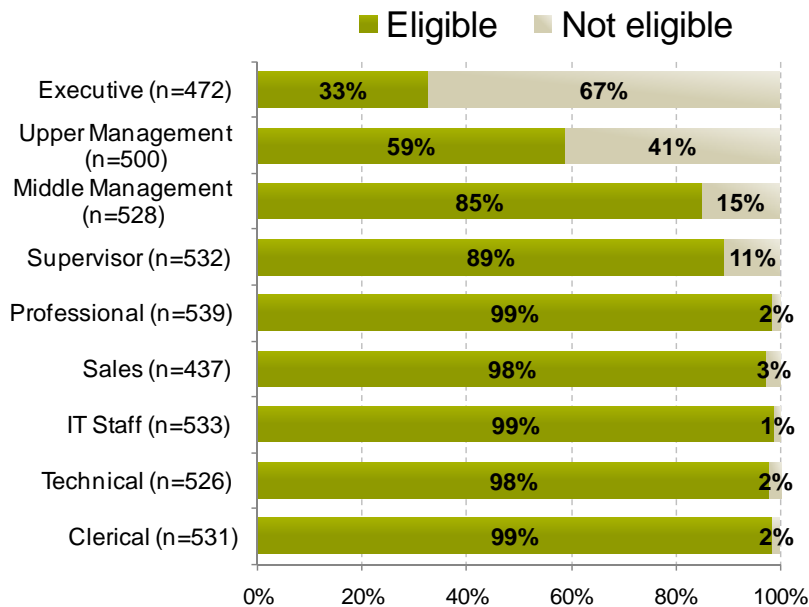
“Are you considering implementing a referral bonus program?” (n= 369)

Only participants answering no in Figure 10 received this question.



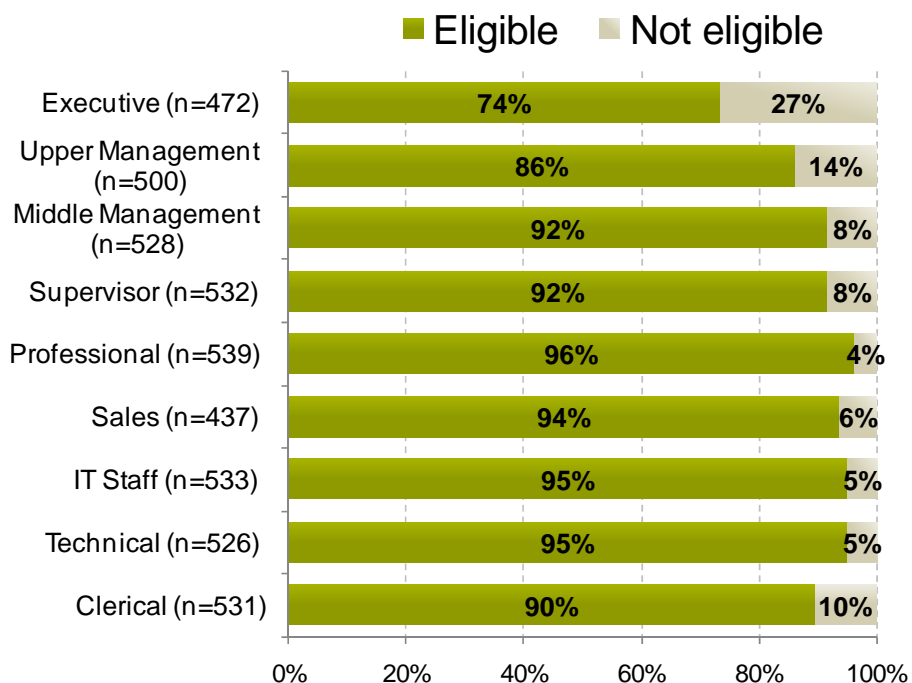
**Figure 12: Positions Eligible for the Referral Bonus Program**  
 “Which employees are eligible to receive a bonus for referring a new employee?” (n varies)

Only participants answering yes in Figure 10 received this question.



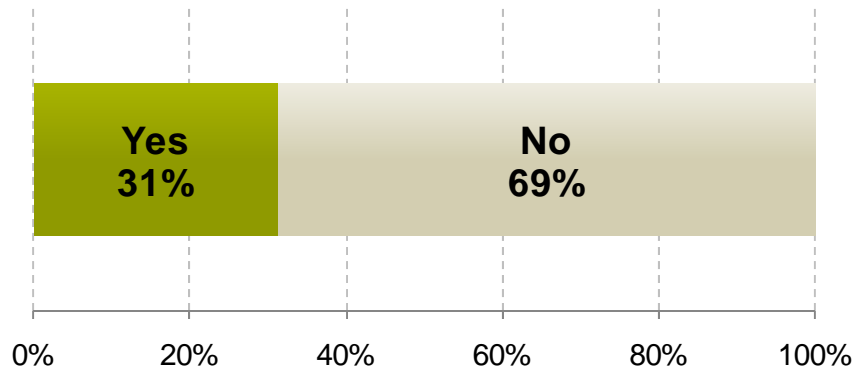
**Figure 13: Referral Bonus Eligibility by Recruitment Position**  
 “For which types of positions does your organization award referral bonuses upon recruitment?” (n varies)

Only participants answering yes in Figure 10 received this question.



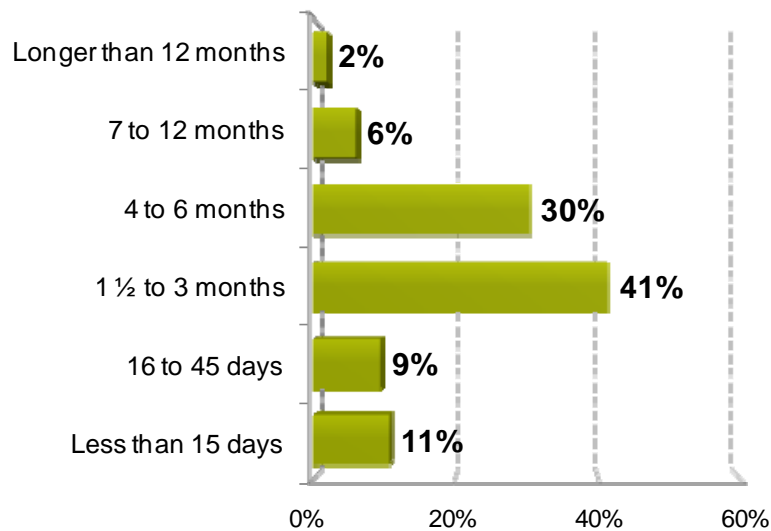
**Figure 14: Referral Bonus Allocation**

“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?” (n= 537)  
 Only participants answering yes in Figure 10 received this question.



**Figure 15: Referral Bonus Full Allocation Time Limit**

“If you do not split the payout, how long does the new employee have to stay before the referring employee receives the full bonus?” (n= 454)  
 Only participants answering yes in Figure 10 received this question.



**Figure 16: Average Referral Bonus Amount by Position**

“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?” (n varies)

Only participants answering yes in Figure 10 received this question.

Option	<\$250	\$250-\$499	\$500-\$999	\$1,000-\$2,499	\$2,500-\$5,000	>\$5,000
Executive (n=214)	6%	8%	15%	46%	22%	5%
Upper Management (n=296)	5%	12%	14%	44%	21%	4%
Middle Management (n=370)	5%	15%	17%	44%	19%	2%
Supervisor (n=374)	6%	14%	21%	43%	15%	1%
Professional (n=432)	7%	15%	22%	43%	13%	1%
Sales (n=329)	7%	15%	23%	39%	13%	2%
IT Staff (n=408)	7%	15%	22%	41%	14%	1%
Technical (n=406)	8%	17%	23%	39%	14%	1%
Clerical (n=372)	14%	22%	29%	27%	8%	1%

**Figure 17: New Hires Through Referral Bonuses**

“Approximately what percent of your organization’s new hires during 2010 came through employee referrals?” (n= 401)

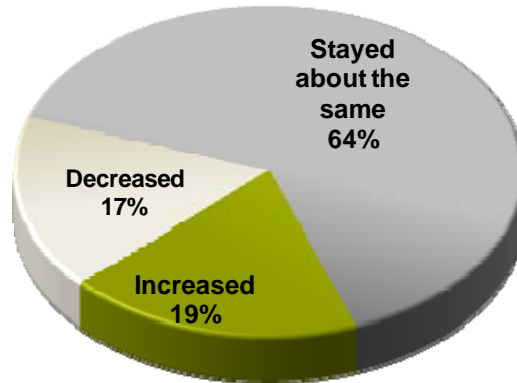
Only participants answering yes in Figure 10 received this question.

Average	Median	Mode
13%	10%	5%

**Figure 18: Referral Bonus Awarded**

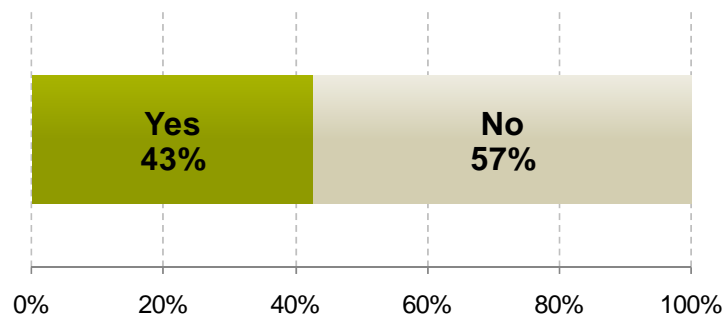
“In the past 12 months, has the general number of referral bonuses awarded to employees increased, decreased or stayed the same?” (n= 476)

Only participants answering yes in Figure 10 received this question.



**Figure 19: Prevalence of Spot Bonus Programs**

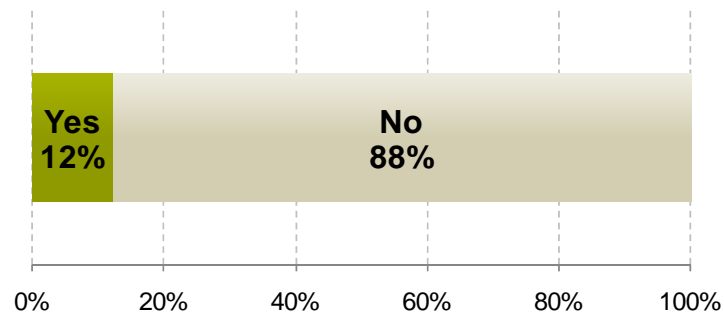
“Does your organization currently have a spot bonus program through which employees can receive cash (please do not count gift card or gift certificate programs)?” (n= 886)



**Figure 20: Prevalence of Those Considering a Spot Bonus Program**

“Are you considering implementing a spot bonus program that awards cash?” (n= 506)

Only participants answering no in Figure 18 received this question.

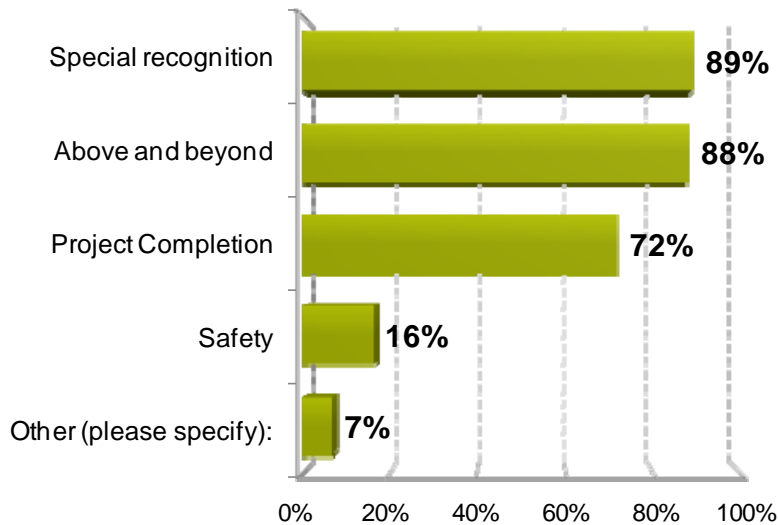




**Figure 21: Reasons for Spot Bonuses**

“Does your organization award spot bonuses for any of the following reasons?” (Check all that apply.) (n= 372)

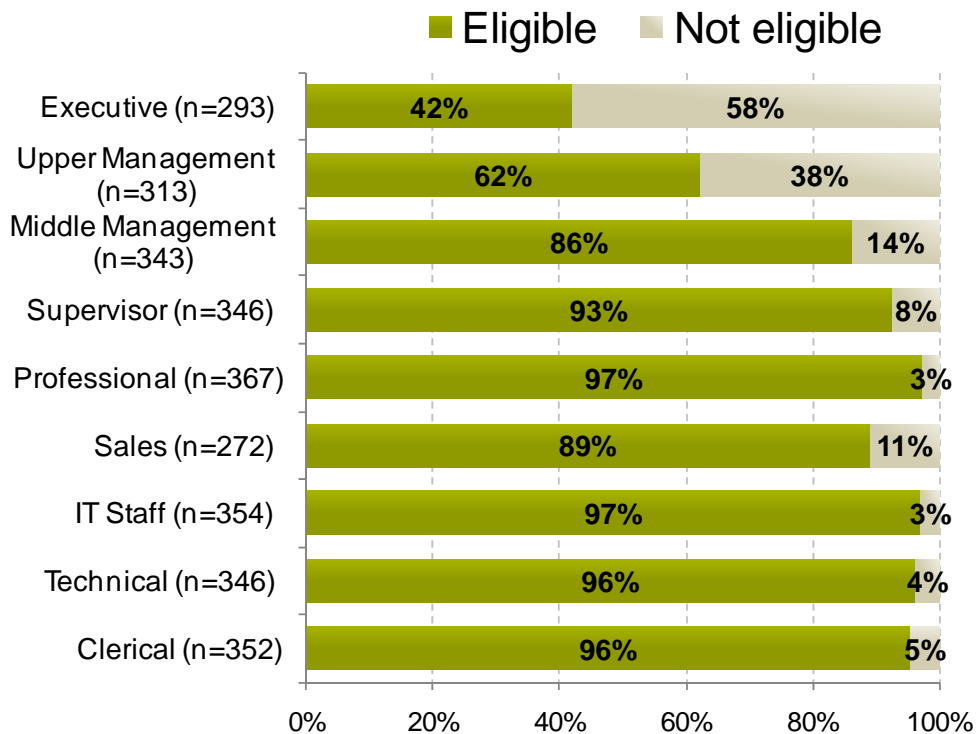
Only participants answering yes in Figure 19 received this question.



**Figure 22: Positions Eligible for the Spot Bonus Program**

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

Only participants answering yes in Figure 19 received this question.



**Figure 23: Maximum Spot Bonuses Awarded**

“For the positions eligible for spot bonuses, identify the maximum level of award:” (n varies)

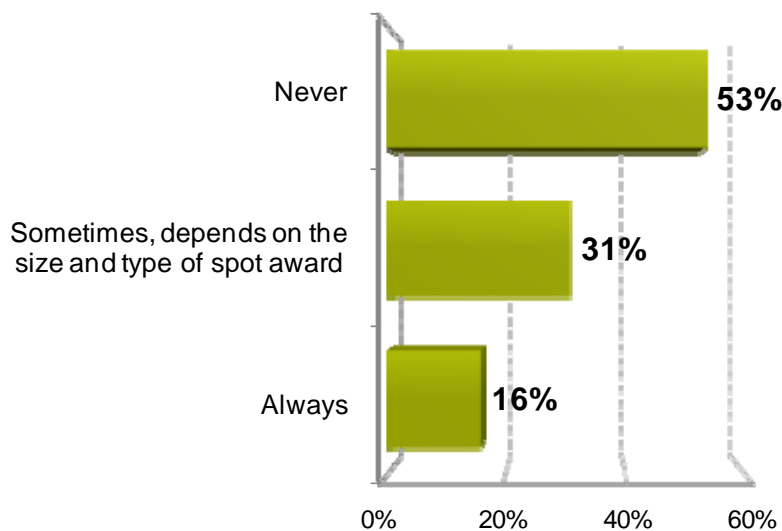
Only participants answering yes in Figure 19 received this question.

Option	<\$250	\$250-\$499	\$500-\$999	\$1,000-\$2,499	\$2,500-\$5,000	>\$5,000
Executive (n=106)	8%	5%	6%	9%	18%	56%
Upper Management (n=172)	7%	6%	8%	13%	28%	38%
Middle Management (n=255)	9%	6%	11%	23%	27%	24%
Supervisor (n=275)	8%	7%	12%	27%	30%	16%
Professional (n=310)	9%	8%	14%	27%	28%	14%
Sales (n=205)	11%	6%	13%	30%	26%	14%
IT Staff (n=293)	10%	8%	14%	28%	27%	13%
Technical (n=286)	11%	8%	16%	27%	26%	12%
Clerical (n=292)	12%	12%	19%	26%	21%	11%

**Figure 24: Spot Bonus and Offset Tax Impact**

“With cash spot awards, does your organization increase the amount of the stated award in order to offset the tax impact (might also be known as “grossing up” the award)?” (n= 367)

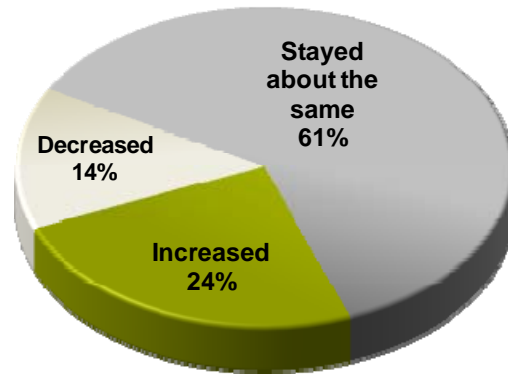
Only participants answering yes in Figure 19 received this question.



**Figure 25: Spot Bonuses Awarded in the Past 12 Months**

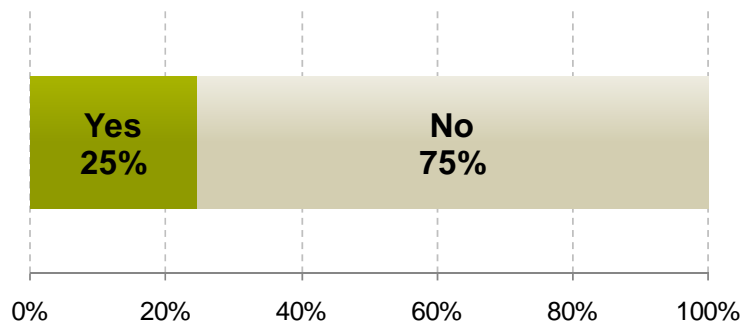
“In the past 12 months, has the general number of spot bonuses awarded to employees increased, decreased or stayed the same?” (n=358)

Only participants answering yes in Figure 19 received this question.



**Figure 26: Prevalence of Retention Bonus Programs**

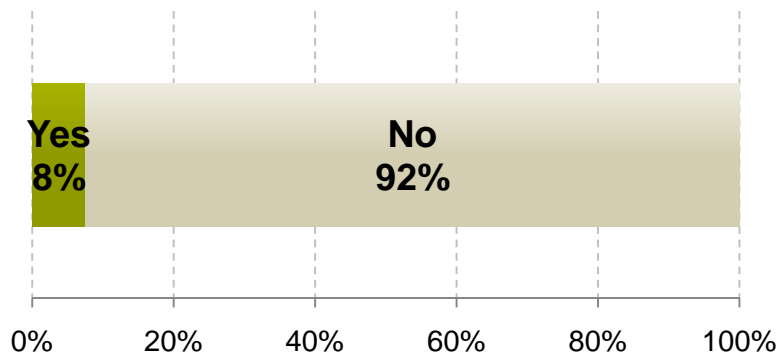
“Does your organization currently have a retention bonus program?” (n=880)



**Figure 27: Prevalence of Those Considering a Retention Bonus Program**

“Are you considering implementing a retention bonus program?” (n=664)

Only participants answering no in Figure 26 received this question.



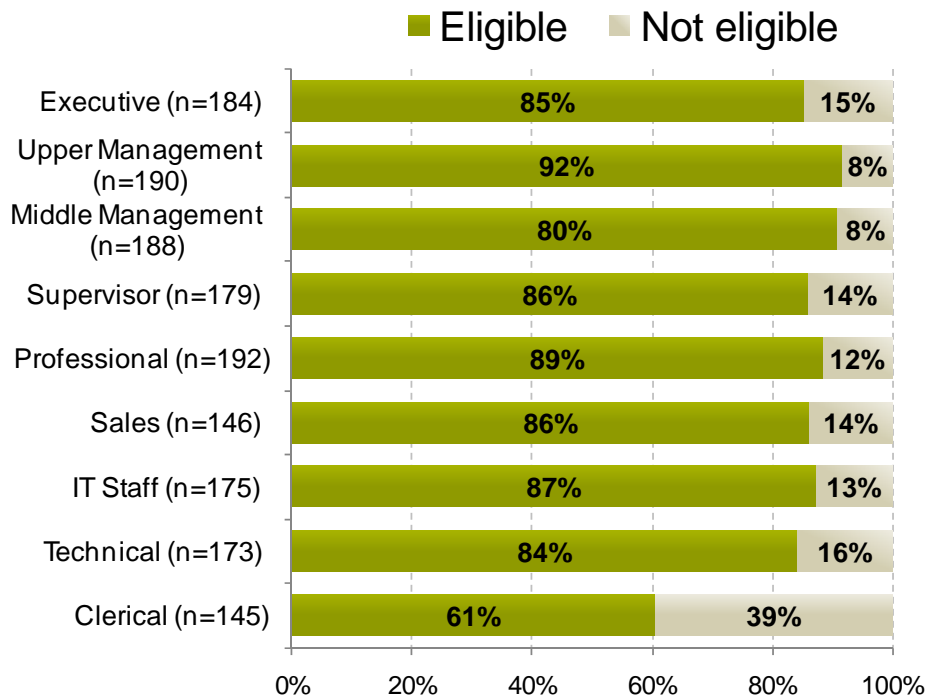
**Figure 28: Retention Bonus Formality**  
 “Your retention bonus program is:” (n=203)

Only participants answering yes in Figure 26 received this question.

Answer	Percent
Formal with defined eligibility criteria and rules/guidelines	30%
Based on management discretion	70%

**Figure 29: Positions Eligible for the Retention Bonus Program**  
 “Which of the following employees are eligible to receive retention bonuses?” (n varies)

Only participants answering yes in Figure 26 received this question.



**Figure 30: Retention Bonus Length of Service and Eligibility**  
 “What length of service, if any, is required for employees to become eligible to participate in the retention bonus program?”  
 Only participants answering yes in Figure 26 received this question.

Option	Not tied to length of service	<90 days	90 days to 6 months	6 months to 1 year	>1 year
Executive (n=140)	66%	1%	2%	4%	26%
Upper Management (n=154)	65%	2%	2%	7%	25%
Middle Management (n=154)	64%	1%	2%	8%	25%
Supervisor (n=143)	68%	1%	1%	6%	25%
Professional (n=154)	65%	1%	1%	7%	26%
Sales (n=119)	68%	2%	0%	6%	24%
IT Staff (n=139)	67%	1%	1%	7%	25%
Technical (n=137)	69%	2%	2%	4%	24%
Clerical (n=94)	68%	2%	1%	5%	23%

**Figure 31: Retention Bonus Compensation Method**  
 “What method of payment is most commonly used for the cash retention bonus?”  
 Only participants answering yes in Figure 26 received this question.

Option	Lump sum	Regular intervals	Progressive timing
Executive (n=157)	65%	15%	20%
Upper Management (n=174)	67%	16%	18%
Middle Management (n=175)	69%	17%	15%
Supervisor (n=159)	67%	17%	16%
Professional (n=171)	67%	16%	16%
Sales (n=133)	66%	16%	18%
IT Staff (n=155)	68%	16%	16%
Technical (n=148)	65%	18%	18%
Clerical (n=95)	74%	14%	13%

**Figure 32: Retention Bonus Calculation**

“When the cash retention bonus is calculated, what is it most commonly based on?”  
 Only participants answering yes in Figure 26 received this question.

Option	Flat dollar amount	Percent of base salary	Combination of flat and percent of base	Mgmt. Discretion
Executive (n=153)	35%	26%	10%	29%
Upper Management (n=174)	37%	24%	10%	30%
Middle Management (n=171)	40%	23%	10%	27%
Supervisor (n=159)	40%	24%	9%	26%
Professional (n=172)	40%	24%	11%	26%
Sales (n=129)	37%	22%	10%	31%
IT Staff (n=159)	39%	25%	10%	26%
Technical (n=149)	41%	24%	9%	26%
Clerical (n=96)	44%	24%	9%	23%

**Figure 33: Retention Bonus Average Dollar Amount**

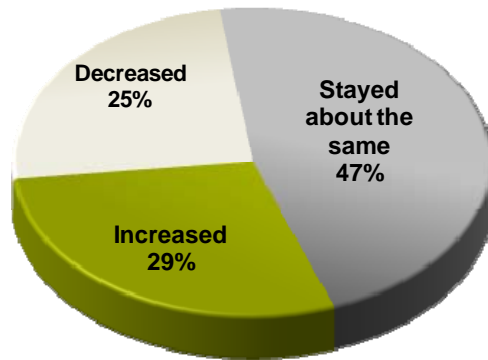
“During the past 12 months, what has been the actual retention bonus dollar amount, on average, as a percent of base pay per employee?”  
 Only participants answering yes in Figure 26 received this question.

Option	Cannot be identified	<5.99%	6.0%-9.99%	10.0%-20.0%	>20.0%
Executive (n=132)	46%	5%	5%	17%	28%
Upper Management (n=149)	43%	7%	7%	19%	23%
Middle Management (n=147)	45%	8%	9%	22%	16%
Supervisor (n=135)	47%	10%	13%	21%	9%
Professional (n=148)	45%	12%	12%	21%	9%
Sales (n=106)	51%	9%	12%	16%	11%
IT Staff (n=134)	46%	10%	15%	20%	10%
Technical (n=127)	44%	13%	13%	20%	10%
Clerical (n=85)	52%	19%	11%	14%	5%

**Figure 34: Retention Bonus Distribution**

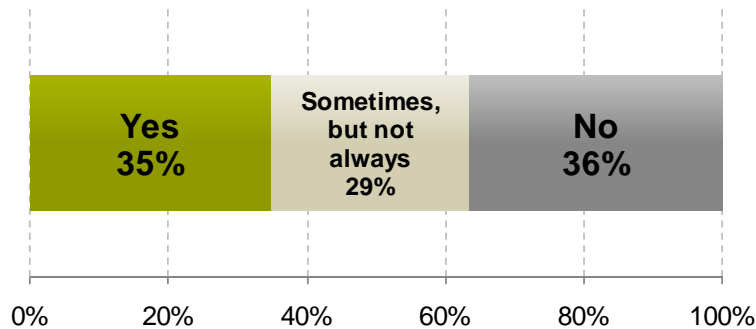
“In the past 12 months, has the general number of retention bonuses awarded to employees increased, decreased or stayed the same?” (n=195)

Only participants answering yes in Figure 26 received this question.



**Figure 35: Feature or Marketing of Bonus Programs**

“Does your organization feature or market some or all types of bonuses as a key employee benefit when attempting to attract new employees?” (n=857)



**Figure 36: Perceived Effect of Bonus Programs**

“What would your workforce say is the effect of your organization’s bonus programs on:” (n= 537)

Option	Extremely negative or negative effect	No effect or neutral	Extremely positive or positive effect
Employee engagement (n=814)	2%	41%	57%
Employee motivation (n=812)	3%	39%	59%
Employee satisfaction (n=810)	3%	36%	61%

## Bonus Programs and Select Demographics

**Figure 37: Bonus Programs by Organization Size**

Bonus Program	Less than 100 employees (n=32)	100 to 499 (n=65)	500 to 999 (n=69)	1,000 to 2,499 (n=121)	2,500 to 4,999 (n=109)	5,000 to 9,999 (n=100)	10,000 to 19,999 (n=88)	20,000 and over (n=135)
Sign-On Bonus Program	25%	48%	62%	58%	60%	66%	68%	73%
Referral Bonus Program	47%	83%	77%	74%	69%	67%	66%	70%
Spot Bonus Program	50%	55%	52%	50%	56%	48%	47%	53%
Retention Bonus Program	16%	17%	17%	26%	29%	27%	39%	41%

**Figure 38: Bonus Programs by Organization Type**

Program Type	Public sector (local, state, federal government) (n=88)	Private sector - publicly traded (n=308)	Private sector - privately held (n=231)	Non-profit/Not-for-profit (n=91)
Sign-On Bonus Program	65%	66%	54%	65%
Referral Bonus Program	63%	74%	71%	64%
Spot Bonus Program	52%	54%	48%	48%
Retention Bonus Program	40%	32%	21%	27%

**Figure 39: Bonus Programs by Select Industry**

Program Type	Utilities, Oil & Gas (n=51)	Computer and Electronic Manufacturing (n=37)	All Other Manufacturing (n=94)	Retail Trade (n=44)	Finance & Insurance (n=94)	Health Care & Social Assistance (n=62)
Sign-On Bonus Program	65%	73%	56%	75%	60%	66%
Referral Bonus Program	49%	95%	55%	71%	80%	69%
Spot Bonus Program	53%	49%	51%	34%	50%	42%
Retention Bonus Program	29%	32%	27%	21%	33%	34%



## Bonus Programs and Total Rewards

### Engagement, Motivation and Satisfaction

**Figure 40: Bonus Programs and Impact on Engagement**

Program Type	Extremely negative or negative effect (n=11)	No effect or neutral (n=258)	Extremely positive or positive effect (n=419)
Sign-On Bonus Program	9%	61%	63%
Referral Bonus Program	45%	68%	73%
Spot Bonus Program	55%	48%	54%
Retention Bonus Program	9%	25%	31%

**Figure 41: Bonus Programs and Impact on Motivation**

Program Type	Extremely negative or negative effect (n=12)	No effect or neutral (n=246)	Extremely positive or positive effect (n=429)
Sign-On Bonus Program	25%	59%	63%
Referral Bonus Program	42%	66%	75%
Spot Bonus Program	58%	48%	53%
Retention Bonus Program	25%	26%	31%

**Figure 42: Bonus Programs and Impact on Satisfaction**

Program Type	Extremely negative or negative effect (n=18)	No effect or neutral (n=227)	Extremely positive or positive effect (n=440)
Sign-On Bonus Program	39%	60%	63%
Referral Bonus Program	61%	69%	72%
Spot Bonus Program	50%	50%	53%
Retention Bonus Program	33%	26%	30%

## Attracting New Employees

Figure 43: Bonus Programs by Use in Attraction

Program Type	Yes/Always (n=258)	Sometimes (n=231)	No/Never (n=225)
Sign-On Bonus Program	62%	63%	58%
Referral Bonus Program	78%	78%	55%
Spot Bonus Program	47%	51%	56%
Retention Bonus Program	26%	29%	33%

## Employee Retention

Figure 44: Voluntary Turnover Rates by Bonus Programs

Program Type	All Respondents	0% to 5% (Low) (n=202)	6% to 10% (Medium) (n=279)	11% and up (High) (n=206)
Sign-On Bonus Program	60%	57%	65%	61%
Referral Bonus Program	54%	59%	73%	76%
Spot Bonus Program	43%	59%	53%	41%
Retention Bonus Program	25%	29%	29%	29%

## Demographics

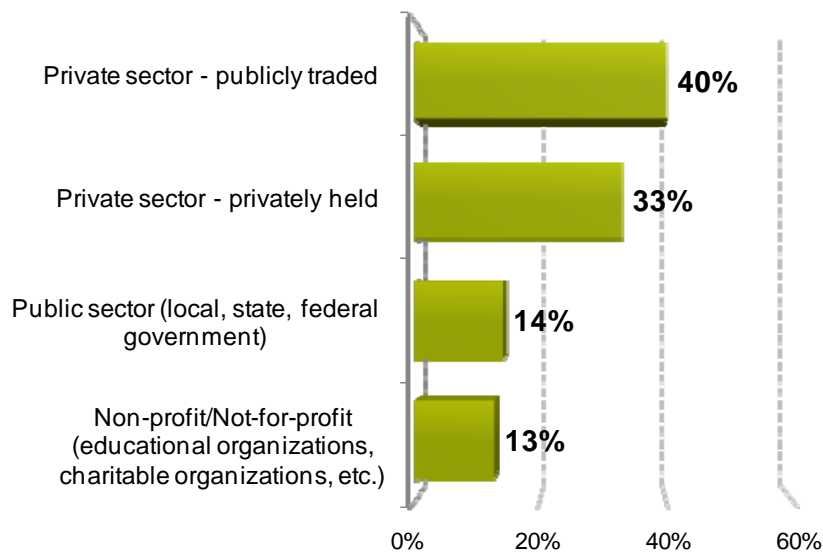
**Figure D1: Number of Employees**

“Please choose the total number of employees your organization employs worldwide:”  
 (n=863)

Option	Percent
Less than 100 employees	6%
100 to 499	9%
500 to 999	9%
1,000 to 2,499	17%
2,500 to 4,999	15%
5,000 to 9,999	14%
10,000 to 19,999	11%
20,000 to 39,999	9%
40,000 to 99,999	6%
100,000 or more	4%

**Figure D2: Organization Type**

“Your organization is:” (n=861)



**Figure D3: Industry**

“Please choose one category that best describes the industry in which your organization operates:” (n=858)

Option	Percent
All Other Manufacturing	14%
Finance & Insurance	12%
Consulting, Professional, Scientific & Technical Services	10%
Health Care & Social Assistance	9%
Utilities, Oil & Gas	7%
Retail Trade	5%
Computer and Electronic Manufacturing	5%
Information (includes Publishing, IT Technologies, etc.)	4%
Public Administration	3%
Transportation	3%
Pharmaceuticals	2%
Educational Services	2%
Other Services (except Public Administration)	2%
Other	15%

**Figure D4: Voluntary Turnover**

“What is the approximate annual voluntary turnover for employees?” (n=828)

Option	Percent
0-5%	33%
6-10%	39%
11-15%	17%
16-20%	6%
21-26%	2%
27-40%	2%
41% or more	2%