

Recognition and reward sit at the heart of employee retention. We've explored the practices of a diverse range of businesses to gather valuable information in this crucial area.

This summary provides insights into what businesses are currently doing to recognise and reward their employees.

1. Overview of companies surveyed

- Accounting
- Banking / Finance / Insurance
- Building / Construction
- Freight / Logistics / Transport
- Import / Distribution / Wholesale
- Information Technology

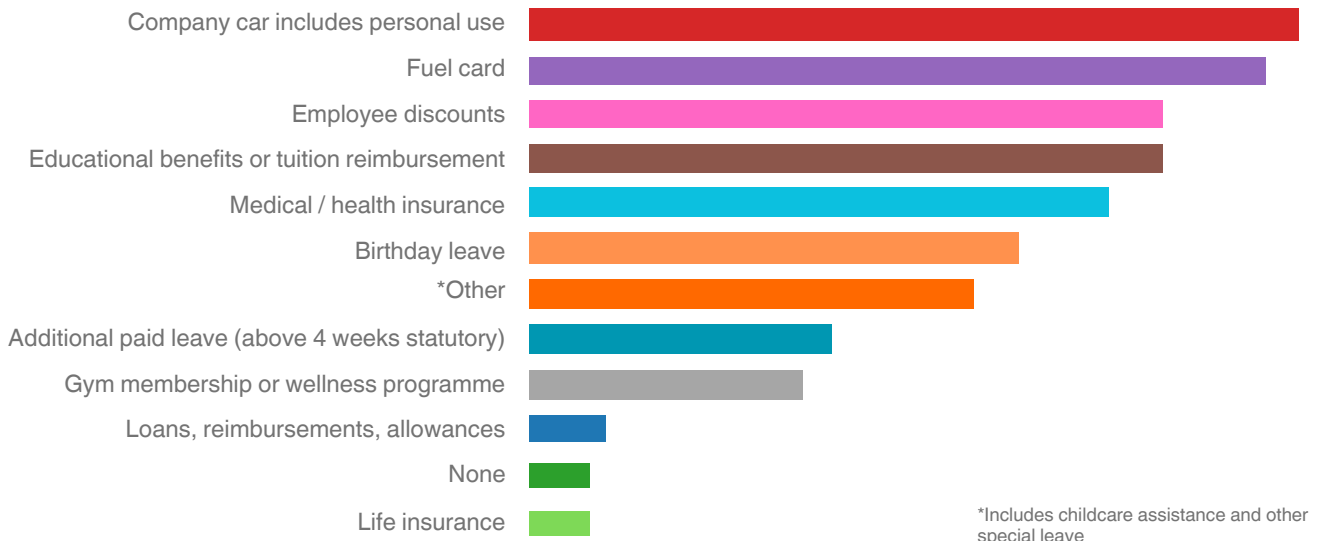
- Manufacturing / Production
- Medical / Healthcare
- Not for Profit / Charity
- Real Estate / Property
- Retail
- Trades & Services

- 1 - 10 Employees
- 11 - 30 Employees
- 31 - 50 Employees
- 51 - 100 Employees
- 100+ Employees



2. What benefits or perks does your company provide?

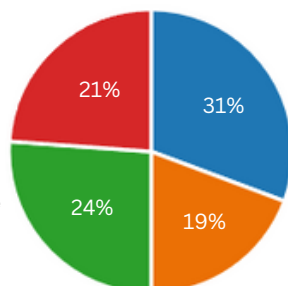
The most common perks across all company sizes are birthday leave and educational benefits. Larger companies offer comprehensive packages, including health insurance and additional paid leave, aligning benefits with employee satisfaction and retention. Company cars and/or fuel cards are available for executive and sales staff in most companies.



3. Do you provide bonuses/commission in addition to a base salary?

50% of companies provide bonuses to sales staff, highlighting the importance of incentivising sales performance. Diverse approaches (shown in 'other') include discretionary bonuses and project-specific rewards for targeted motivation.

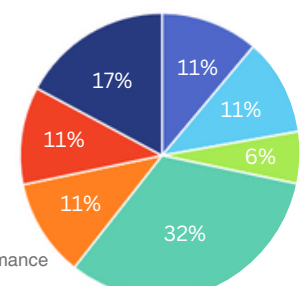
- All staff are eligible for bonuses
- Only sales staff are eligible for bonuses
- Do not have a bonus programme
- Other



4. If bonuses are offered, how are those calculated?

43% of companies use individual performance metrics for bonus calculations, ensuring high performers are rewarded. 22% use fixed salary percentages or amounts, offering predictable and consistent rewards across the organisation.

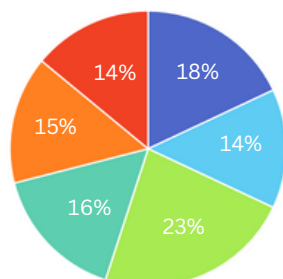
- Fixed percentage of base salary
- Percentage of sales or revenue, based on individual performance
- Percentage of sales or revenue, based on company performance
- Percentage of sales or revenue, based on a combination of individual and company performance
- Fixed amount based on individual performance
- Subject to director discretion
- Other



5. How do you manage overtime worked by employees?

16% of companies offer time in lieu, promoting work-life balance. Only 14% pay an overtime rate, indicating a preference for non-monetary compensation methods like additional leave to manage extra hours.

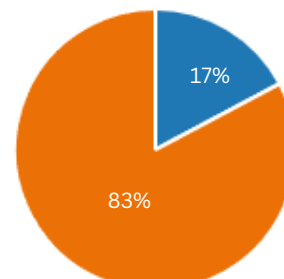
- Overtime is paid at normal rate
- Overtime is paid at an overtime rate
- Overtime is un-paid, it is included in the salary
- Time in lieu to compensate for overtime worked
- Mix of overtime, normal rate, or time in lieu (for some staff)
- Other (no overtime worked or only special cases)



6. Do you offer KiwiSaver contributions additional to the compulsory 3%?

Of the companies surveyed, just 17% offer a KiwiSaver employer contribution in excess of the compulsory 3%. For those who do provide an additional contribution, levels ranged from 4% to 6.5%.

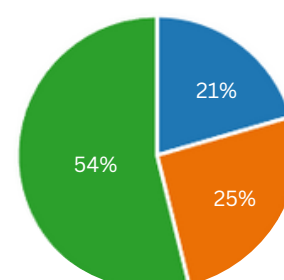
- Yes
- No



7. Do you intend to change/increase remuneration & benefits in the near future?

21% of companies plan to increase remuneration and benefits, with larger firms and those in growth industries like IT and healthcare leading this trend. Meanwhile 54% are unsure and 25% have no plans for changes, with smaller companies showing more hesitation.

- Yes
- No
- Unsure



8. How is your company reward programme structured?

Ad hoc rewards are common in mid-sized companies, providing flexibility in recognising outstanding contributions. Quarterly awards in manufacturing focus on tangible achievements, reinforcing goal-oriented performance. Below highlights the key elements of reward programmes used by the survey respondents, providing valuable insights into common practices and themes.



Recommendations

Your reward programme reflects the core values and culture of your organisation. Therefore it's important to recognise behaviours and achievements which demonstrate your company's values.

Define Clear Objectives

You should primarily establish clear objectives for your reward programme. Our research found typical objectives include: improving employee morale, increasing productivity and revenue, and improving employee tenure.

The effectiveness of your programme will greatly increase if you communicate these objectives to your employees to ensure understanding and buy-in.

Diverse Reward Options

Including both tangible and intangible rewards will appeal to the different personalities within your team.

Think about how you can cater to a variety of motivations. Preferences vary with everyone, from monetary bonuses, additional leave, gift cards, and public recognition.

Show that you care - offering rewards that benefit employee health and wellbeing, such as gym memberships or day spa vouchers, or recognising their life outside work, such as additional time off, can have greater positive effect on your objectives.

Regular and Timely Recognition

Acknowledging achievements soon after they occur maintains relevance and impact.

Be timely with your recognition programme by making them a regular occurrence. Structures such as "Employee of the Month", quarterly awards and long service awards give employees a goal to reach and something to look forward to.

However don't be tempted to rush your programme, especially if your employees respond well to public recognition. You can make this special by planning time to hand out certificates or host a morning tea.