

# Employee incentives: 7 strategies to improve employee engagement

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Are you looking for new or better ways to increase employee engagement? One way to do so is through performance incentives that motivate and reward employees. Do you have an existing incentive plan that needs an update? Or are you starting from scratch?

Whatever your situation, it can be helpful to consider some of the tried-and-true bonus programs that have worked for other successful businesses. Here are a few to get you started:

## 1. Sign-on bonus

Offering a sign-on bonus can be a good motivator for top talent to join your company. Rather than being based on completing a project or reaching a certain performance level, it's given upon hire. A sign-on bonus may help you find candidates with high-demand skills and key talent requirements. Typically, it's a lump-sum payment that the employee receives with their first paycheck or after a certain amount of time in the new position.

>> **Related webinar: [Performance Incentives that Drive Engagement](#)**

## **2. Retention bonus**

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Is your business about to undergo a merger, acquisition or other significant transition? If so, you may want to consider a retention bonus, which is used to retain critical employees during times of change. Your company would pay the employee a pre-determined amount upon the occurrence of a specific event or date. The employee usually receives half of the bonus on their paycheck on a specific date and the remaining half on a date the company chooses.

## **3. Referral bonus**

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Great employees often know other talented folks who may want to join your company. Consider offering a referral bonus to current employees for referring job candidates who end up being hired.

## **4. Performance-based bonus**

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This bonus is given out when an employee, team or the entire company achieves a specific goal or objective. Performance-based bonuses are typically scheduled around a specific time frame, such as annually, semi-annually or quarterly.

## **5. Project-specific bonus**

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This bonus is used to reward employees or teams on a project-related basis. Team members usually receive a lump-sum after the successful completion of a special project. This means that the project was completed on time, within budget and met any other established performance criteria.

## **6. Spot bonus**

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What about those times when you want to show immediate recognition for exceptional work by an individual or team? A spot bonus could work well. It's based on direct observation or feedback from others and is a quick way to show appreciation before year-end bonuses are awarded. An employee or team may earn a spot bonus by going above and beyond on a specific project or taking actions that positively impact the company's objectives.

## **7. Non-monetary rewards**

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These types of benefits are popular for a couple of reasons. First, your company may or may not have the funds available to give out a cash reward. Second, some employees may even appreciate these types of rewards more than money. For example, extra time off, telecommuting opportunities or flexible hours may appeal more to time-strapped employees or those who have long commutes.

Whichever bonuses or incentives you choose, it's crucial for your business's leadership to be cognizant of which options will best motivate your company's employees.

7 views