

The ROI of Employee Gifting

A GUIDE FOR HR LEADERS



Contents

Introduction

HR Strategy, Meet Employee Gifting

- ▶ What is Employee Gifting?

Ch-Ch-Changes

The ROI of a Great Gifting Program

THE PEOPLE PAYOFF

- ▶ Employee Gifting Improves Retention
- ▶ Employee Gifting Boosts Productivity

THE CULTURE PAYOFF

- ▶ Employee Gifting Creates Connections
- ▶ Employee Gifting Makes Moments
- ▶ Employee Gifting Demonstrates Your Values
- ▶ Recognition Matters More than Money

THE VISION PAYOFF

- ▶ Scalable Gifting
- ▶ Strategic Spending

Wrapped in a Bow



Introduction

Organizations around the globe are looking for ways to better engage, recognize, and love on their people. For HR leaders, investing in culture-building and employee recognition has never been more important. Enter: employee gifting.

Employee gifting has the power to become a key component of your employee recognition program. Employee gifting creates meaningful moments between employees, managers, and HR, and ensures your team feels seen, valued,

and appreciated. Even better, employee gifting (done well) can be easy-to-track, easy-to-measure, and easy-to-implement. If you're looking for ways to create, measure, and track ROI in your people-initiatives, it's time to get on a first name basis with employee gifting.

HR Strategy, Meet Employee Gifting

People, people, people. They are the lifeblood of your organization. Your #1 asset, your #1 differentiator, and the #1 predictor of your sustainability and success. You've no doubt created HR policies and programs that take into account the complex needs of individuals, while celebrating and building a healthy, happy workplace culture. Has employee gifting been on your radar? If not, lean in.

If your current employee gifting program is cumbersome and questionably effective, lean in even further!

Employee gifting can be a small but mighty player in your overall HR strategy, delivering outsized benefits and ROI. Looking to learn more? Let's dive in!



What is Employee Gifting?

Employee gifting is the formal process of recognizing team members at key moments throughout their employment with gifts. The magic exists in the *recognition* component, connecting big moments with thoughtful gifts and personal experiences. Great employee gifting helps employees feel seen, valued, and known.

Gifting can happen at a variety of important moments in your employees' lives, such as:



Work Anniversaries

1 year, 5 year, 10 year, etc.



Birthdays

Make their day special from start to finish.



Work Milestones

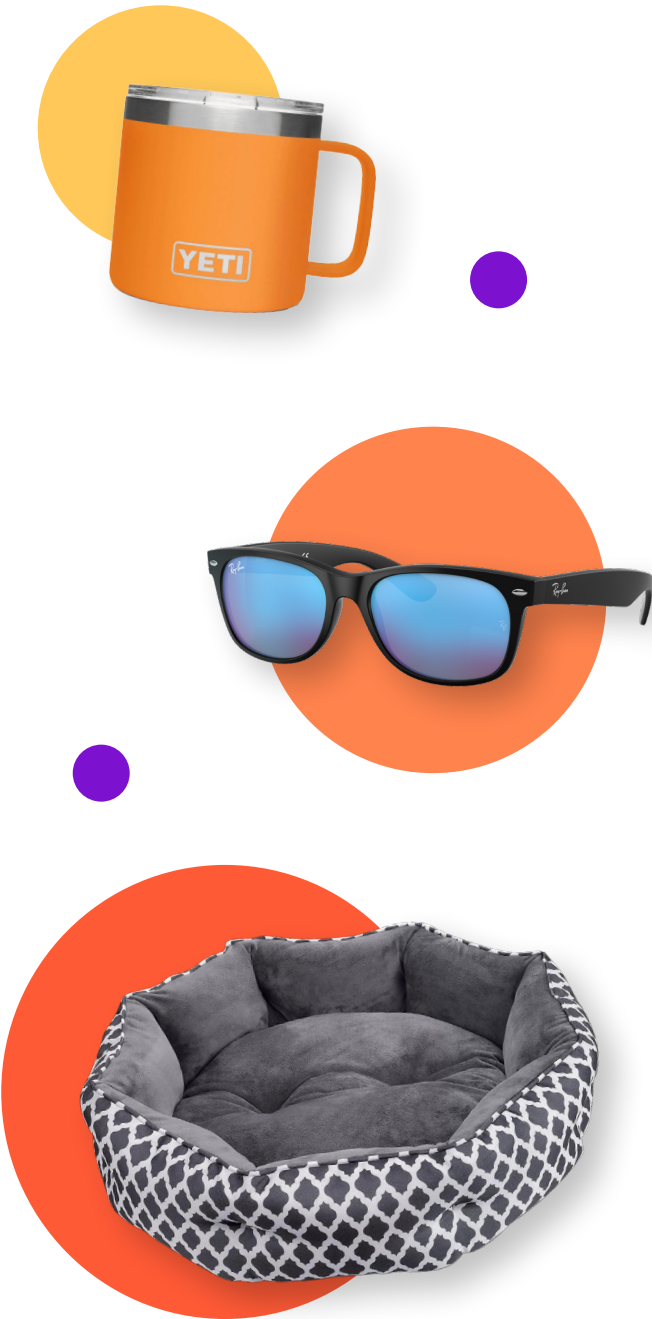
Onboarding, promotions, thank yous, shoutouts, performance incentives, etc.



Personal Milestones

Marriages, births, adoptions, a new pet, or other meaningful events in their personal lives.

Thoughtful moments of recognition can help managers and HR develop long-term, trusting relationships with employees, and remind employees how important they are to your team and workplace. A well-timed gift (big or small) can go a long way in retaining talent, building culture, and creating happy, productive teams.



Ch-Ch-Changes

As you know, the world is changing at a breakneck speed. The most successful workplaces are finding creative ways to capitalize on the opportunities presented by globalization, remote work, and hybrid teams.

Because... top talent are looking for more than a title and a paycheck.

Millennial and Gen Z employees, especially, are looking for flexibility, trust, meaning, and fulfillment. They know their values and expect to feel valued for their contributions.

As you adapt your HR strategy to meet these new demands, have you stopped to **rethink your approach to employee gifting?**

It's a worthwhile endeavor. Employee gifting done poorly can be expensive, ineffective, and can actually work against your HR strategy. Irrelevant gifts, generic cards, or ill-timed deliveries can, at best, position your organization as out of touch, and at worst, leave employees feeling unappreciated or disrespected.

Employee gifting done well - thoughtful gifts, lots of choice, personalized notes complete with silly GIFs, all delivered at exactly the right time - can deliver unbeatable moments of joy, delight, and gratitude. Employees walk away from these interactions feeling proud to work for your organization, proud of their accomplishments, and proud to tell their friends and family about these special moments.



The ROI of a Great Gifting Program

Employee gifting can be a low-cost investment with real, long-term results that pay off for your **people**, for your **culture**, and for your **vision**.



The People Payoff

Employee Gifting Improves Retention

Retaining top talent is harder than ever and the #1 reason most people leave their jobs is a **lack of recognition**. In fact, research shows that the more talented the employee is, the faster they leave, compared with other disengaged employees.¹ Building a recognition rich environment is more than a pat on the back: it's celebrating the full person who works for you with gifts, notes, and kudos. Gifting, in its own special way, offers the opportunity to name milestones that are all about your awesome team members.

Employee gifting, used as a strategic tool for recognition, can lower turnover and improve employee retention.

WHAT THE RESEARCH SAYS

Companies found a **41% increase in employee retention** with frequent recognition.²

Organizations with formal recognition programs have **31% less voluntary turnover** than organizations that don't, and are **12x more likely to have strong business outcomes**.³

Employees who aren't recognized are **2x more likely to quit** in the next year.⁴



Employee Gifting Boosts Productivity

To truly unleash your workforce, they need to feel known, seen, and valued – both for who they are and the work they do. Strategic employee gifting encourages your people to bring their best each and every day.

WHAT THE RESEARCH SAYS

80% of employees felt that **corporate gifts motivated them** to meet or surpass their performance targets.⁵

The Harvard Business Review found that library employees **increased productivity by 25%** on the promise of a gift.⁶

90% of workers said that receiving **recognition motivates them** to work harder.⁷

TLDR: Employees who feel valued stay. When they feel recognized and rewarded for their hard work, it makes them want to work harder. The return on your investment can be considerable in light of these two factors alone.



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PerkUp is a simple way to show employees appreciation. It's very simple to use and is a great way to make your employees feel appreciated while incentivizing performance in the workplace. PerkUp fulfills that purpose.

Andrew

RISK ANALYST



The Culture Payoff

Thoughtful gift giving can deliver big culture returns, as the positive impact on your *people* has a significant impact on your *culture*. Engaged, productive employees feed the trusting, spirited culture you work day-in and day-out to cultivate.

Employee Gifting Creates Connections

The best workplace cultures are fueled by connection: employees know each other, trust each other, and value the unique contributions that each team member brings to the table. A formal employee gifting program can help build these connections and create loyalty and trust throughout all levels of the organization.



WHAT THE RESEARCH SAYS

69% of employees say better rewards **increase employee loyalty**.²

Organizations with recognition programs in place experience **28.6% lower frustration levels** than those without.⁴

20% of employees said that gifts helped them **feel more connected** to their employer.⁸



Employee Gifting Makes Moments

While it may be hard to assign a dollar figure to the “return on moments,” the data clearly shows that moments of meaningful, personalized recognition are the building blocks of happy, productive workplace cultures. Individualized gifts hit the mark of celebrating everyone, while allowing all their diversity to flourish!

The best employee gifting programs:



Recognize team members *now*.

Welcome packages, 1-year anniversary gifts, and early-career incentives are the new norm. Gifts are given early and often.



Personalize gifts.

Dog lovers receive floofy dog beds, coffee lovers receive single-origin beans, new home owners receive throw pillows in exactly **their** signature color. All gifts are delivered with a personalized note.



Deliver moments *in the moment*.

Moments of recognition arrive in inboxes at the exact moment they are needed. Scheduled messages are delivered and ready to be opened the moment an employee wakes up in the morning. #happybirthday



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PerkUp has been a great way to easily reward our team members who are doing fantastic work. With PerkUp, we've been able to save multiple hours every week, while giving our team members a better experience.

Antoinette

PEOPLE AND CULTURE ASSOCIATE



Employee Gifting Demonstrates Your Values

Organizations large and small are waking up to the reality that how they operate matters. A lot. Employee gifting provides a unique opportunity for your organization to demonstrate its values. The gift, the message, *and* the delivery all offer an opportunity to live and breathe your values – or not.

WHAT THE RESEARCH SAYS

In one study, **42%** of respondents reported that they **had received a gift from an employer that they didn't want**. Another **56%** reported receiving **a gift that felt "impersonal" and "generic."**⁸

In the same study, **37%** of people felt **under-appreciated** by their employer based on the gift they received.⁸

51% of employees stated that employers should give gifts that have **a philanthropic purpose or align with the company's values.**⁸

Recognition Matters More than Money

Not all employee gifts are created equal. Strategic gifting is thoughtful, individualized, and consistent – not necessarily expensive.

WHAT THE RESEARCH SAYS

According to Gallup, for **28%** of employees, the **most memorable recognition came from their manager**. For **24%** it came from the CEO.³

68% of people said they **prefer a gift they can pick out** themselves.³

When employee gifts are NOT treated like transactions, they can become truly transformational. There is multifaceted ROI that can be experienced and measured through engagement scores and in tracking the overall success of culture building programs. These moments matter – and can pay off big time, across your organization.



The Vision Payoff

While employee gifting may be just one small component of your overall HR strategy, it can deliver an incredible amount of impact. Here are a few more ways that employee gifting can help bring your people vision to life:



Scalable Gifting

Strategic gift giving is designed to grow with your organization. In fact, employee recognition and gift giving can support your organization's growth by making *culture* scalable. As you experience rapid growth, to keep ROI high, remember to:



Never Let Anyone Fall Through the Cracks.

Remember every anniversary, celebrate every birthday, recognize every milestone. Always ensure your people come first. With the right system you can plan, personalize, and schedule your gifts for thoughtful experiences – at scale.



Support Your HR Team.

100 new team members this year? 1,000? 10,000? Gifting can get messy in the face of rapid growth – managing addresses, managing relationships, managing orders and minimums, this all takes time and talent. However, you can supercharge your ROI by employing a gifting platform that enables you to keep recognition quality high without adding headcount to your HR team.



Give Employees Choice.

As your organization grows, so too will the diversity of your employee's preferences and priorities. Be mindful that you don't lose the impact that thoughtful gifts have on your team (that's where the magic is!) in the name of expediency.



Strategic Spending

An employee gifting program supported by a smart gifting platform can allow you to give well *and* spend less by:

- Only paying for gifts that get redeemed.
- Removing the minimum order numbers required for great gifts.
- Eliminating the need for storage, organization, and inventory.
- Easily taking advantage of tax benefits for employee work anniversary gifts (\$25/employee in the USA and \$500/employee in Canada).

When employee gifting is done well, your budget goes further, every gift has an impact, and you get one step closer to realizing your vision and achieving your plan.

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Game changer for our team. PerkUp allows us to support our employees in a scalable way with a customized solution. It is an incredible platform driven by a fantastic team.

Kaveri

BUSINESS OPERATIONS LEAD



Wrapped in a Bow

Employee gifting is a recognition strategy that – when done well – can deliver skyhigh ROI and help you make real steps towards achieving your long-term people and culture goals.



Ready to rethink your approach to employee gifting?

Talk to the experts at PerkUp today to learn more about smart gifting systems that deliver impactful experiences and reliable ROI.

 sales@perkupapp.com



¹ gallup.com/workplace/236216/tomorrow-half-company-quitting-win-back.aspx

² perkupapp.com

³ gallup.com/workplace/236441/employee-recognition-low-cost-high-impact.aspx

⁴ quantumworkplace.com/future-of-work/importance-of-employee-recognition

⁵ giftbetter.co/blogs/gift-better-blog/3-reasons-why-employee-gifting-is-always-worth-the-investment

⁶ mrsprindables.com/blog/what-are-corporate-gifts-and-why-are-they-important

⁷ business2community.com/human-resources/how-employee-recognition-systems-improve-productivity-02304926

⁸ mrsprindables.com/blog/the-2021-22-employer-gift-giving-report