



## 4. Motivating Employees and Reward Management in SMEs

### The aims of this section are:

- To introduce motivation theories and types of motivation as the basis of reward management.
- To explain the concept of reward management, its strategic and detailed aims and its philosophy.
- To describe the processes and activities of reward management.
- To identify the main differences between financial and non-financial reward systems and to outline the developments of reward strategies and principles of total reward and their uses in SMEs.
- To provide an overview of reward and recognition practises in SMEs.



### Keywords

Reward management, motivation theories, reward strategy, reward systems, financial reward, nonfinancial reward, total reward, incentive system, merit-pay systems.



### Required knowledge

Knowledge of basic terms in human resource management and behavioural psychology.



### Time requirements

Total time recommended to study this chapter is three hours.





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## Introduction to employee motivation



Motivations are factors that affect the behaviours of people in certain ways in terms of the strength and direction of behaviours. People have motivations when they expect that a set of actions will lead to the achievement of goals and valued rewards, which satisfies people's needs and wants. According to Armstrong & Taylor (2014), there are three components of motivation: direction, effort, and persistence. The *direction* identifies what actions a person is trying to do, while *effort* measures how hard a person is trying. Meanwhile, *persistence* is the degree of how long a person keeps on trying. Motivation theories are based on the concept that people do things to earn some tangible or intangible achievements, satisfying needs and wants, and to avoid unwanted responses such as punishments (Armstrong & Taylor, 2014).

## Motivation Theories

Motives are defined as the internal drives and energies of an employee; they direct behaviour, which results in outcomes. They are characterised by a certain level of willingness on the part of the employee to increase efforts in order to satisfy imbalanced needs or desire. An understanding of motivation is important within reward management and the development of reward strategies because when employees are happy and motivated, they are more likely to be more productive and able to serve customers better. In addition, rewards which reinforce the right behaviour will ensure the employees will align their interests in achieving organisational goals and strategic objectives. Rewards can emphasize the development of the right organisational culture to align employee performance and organisational priorities (Armstrong & Taylor, 2014).

### Instrumentality Theory

This states that if one action is taken it will lead to another. Thus, using rewards or punishments (carrots or sticks) can ensure people behave or act in desired ways. The theory emphasizes the need to rationalize work and economic outcomes. It assumes that a person will be motivated to work if rewards and penalties are tied directly to his/her performance (Armstrong, 2006a).

### Contents or Needs Theory

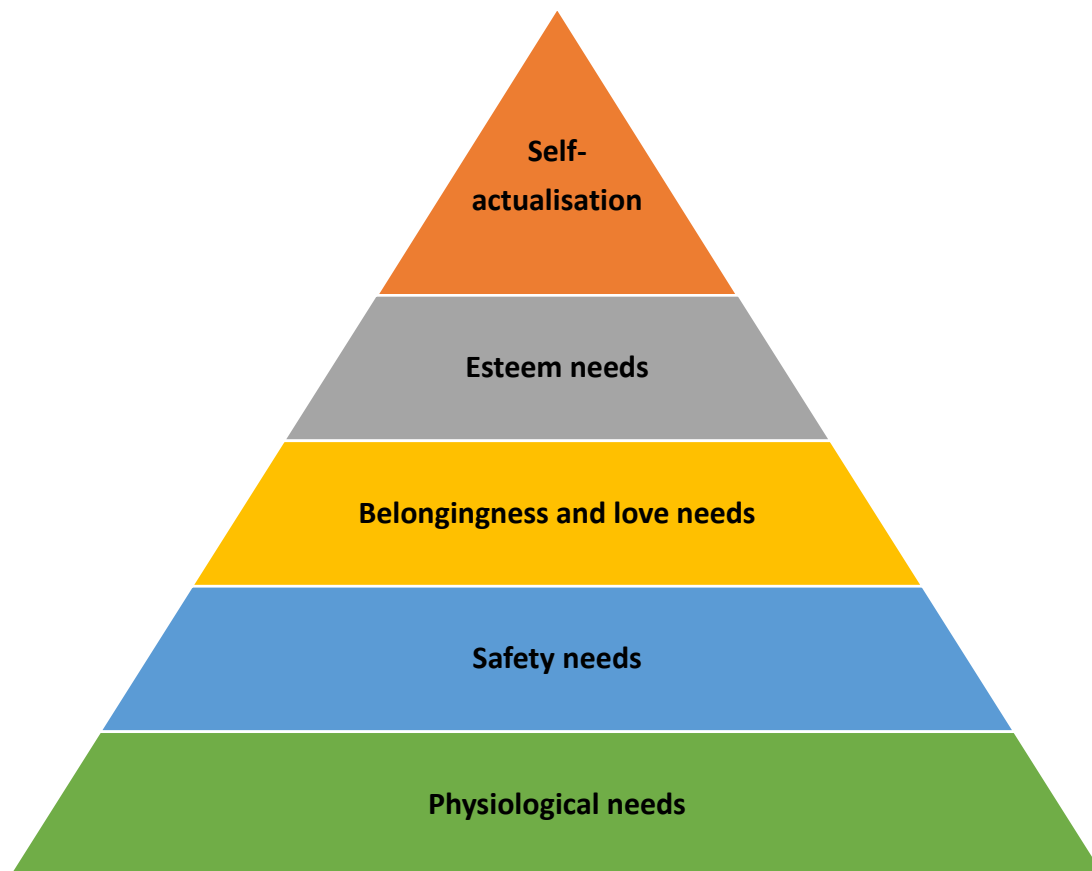
Contents or needs theory helps us to understand what people will and will not value as work rewards; they attempt to identify specific factors that motivate people. The assumption is that employees have needs which they seek to satisfy inside and outside of work, i.e. to answer the question '*HOW to satisfy these needs?*'

Content theory explains motivations through an employee's needs. Unsatisfied need creates desires to satisfy needs to reach equilibrium. By identifying these needs, creating rewards that can satisfy those needs, and providing employees with opportunities to be rewarded through

better performance, managers can create appropriate motivations for people to achieve higher performance as well as organisational goals. Needs theory was originated by Maslow (see Figure 1). The Hierarchy of Needs model was originally developed by Maslow (1954). This comprises five major need categories starting from fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfilment, the highest need of all, as illustrated in Figure 1.

At the basic level are physiological needs where survival factors are the key for employees such as to receive a salary to meet basic needs. Once this level is achieved, employees seek to fulfil their safety needs such as work safety, stable work environment. When these safety needs are satisfied, employees seek affiliation. Having good peers, collaborative colleagues and a good boss are some examples. When these lower needs are fulfilled, according to the pyramid employees will move further up the hierarchy for higher needs such as esteem and self-actualisation. At these levels, employees expect to be respected and recognised for the values they bring. This includes recognition through rewards, praises, appropriate job titles and perks. In the final level, employees are concerned about achieving their potentials. They look for more autonomy, development opportunities and deepen their expertise in specific areas. This model has been critiqued for being too linear and several scholars have argued that Maslow never actually created a pyramid (Bridgman et al., 2019).

Figure 1. Maslow's hierarchy of needs



Source: Adapted from McLeod (2007)



## Process Theory

Process theory concentrates on the psychological or mental factors that affect the employees' motivation. Based on the process theories, managers can set up a performance-based reward system that is valuable to the employees. This is concerned with the psychological processes which affect motivation by reference to expectations (Porter & Lawler, 1968; Vroom, 1964), goals (Latham & Locke, cited in Armstrong, 2006b) and equity theory (Adams, cited in Armstrong, 2006a).

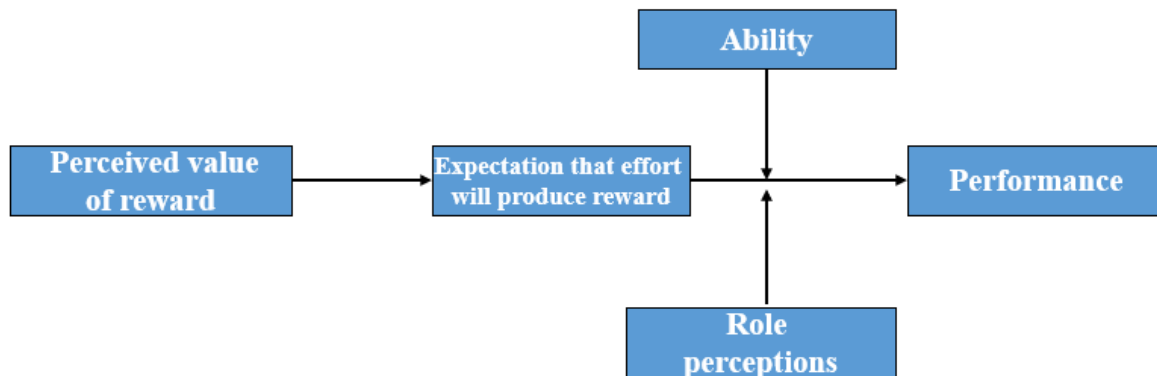
- It emphasizes on psychological processes
- It is also known as a cognitive theory because it concerns people's perceptions of their work environment and the ways in which they interpret and understand it
- The processes manage:
  - Employees' expectations
  - Goal achievement (Armstrong, 2006a)
  - Feelings of being treated fairly

## Expectancy model

Vroom's (1964) theory explains the connection between an employee's effort, performance and rewards. In this model, employees first have some expectations that the efforts they expend will lead to a level of performance outcome. If the employee believes his or her efforts will not lead to the desired level of performance, then the person is unlikely to expend much effort to try. If the employee believes his or her efforts will lead to the desired performance outcome, then he or she will put in the effort believing he or she will achieve the desired outcome. The more likely their efforts will lead to the desired performance level, the more motivated they are to make an effort.

Next, the performance outcome must lead to rewards. Rewards may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated to achieve the performance level given. On the contrary, the more negative the reward the less likely the employee will be motivated. The employees make decisions of their efforts based on estimates of how well the expected results of a given behaviour will lead to the performance level they desired that is linked to the rewards that bring positive value to them (Vroom, 1964) – see Figure 2.

Figure 2. The expectancy model



Source: Adapted from Vroom (1964); Porter & Lawler (1968)

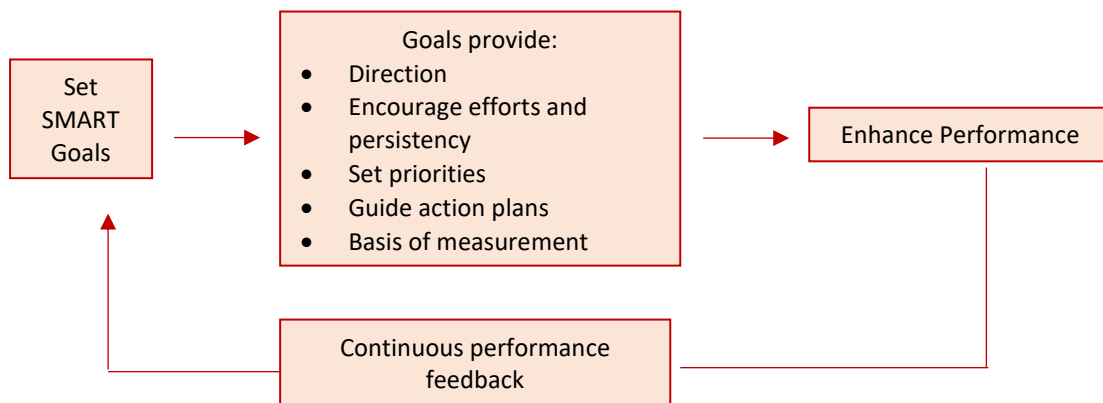
### Goal theory

This theory states that motivation and performance are higher when employees are given specific goals. The goals can be stretched but when accepted and feedback on performance are given the goals will provide directions and motivate the employees to achieve. Thus, goals provide a useful framework for managing motivation. In an organisation, the managers and employees can set goals for themselves and then work toward them. A collaborative goal-setting process through which organisational goals are translated into personal job objectives would create common interests of both sides. These should be reinforced with the right rewards to increase the commitment and motivation of the employees to execute and accomplish the goals.

Goals should be SMART, i.e. specific, measurable, achievable, relevant and time bound. For example:

- 'Increase sales revenue from the children's clothing brand by 10% in the next six months';
- 'Reduce overhead costs by 5% by the end of this year' (see Figure 3).

Figure 3. Goal setting



Source: Adapted from Latham & Locke (as cited in Armstrong, 2006b)

### Equity theory

This states that people will be better motivated if they are treated equitably and demotivated if they are treated inequitably. To be dealt with equitably is to be treated fairly in comparison with other people (a reference group) (Adams cited in Armstrong, 2006a).

## Types of Motivation

### Intrinsic Motivation

Intrinsic motivation means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfil a desire and therefore importance is attached to it. In an organisation context, some examples include job enrichment, job enlargement giving more responsibilities, decision making authorities or involvement in key activities such as direct interactions with customers or take part in strategic discussions etc. Recognition for accomplishments or a job well done, positive work atmosphere that triggers enjoyment at work place or satisfying derive in completing a task successfully etc. are additional examples. Some amount of challenges with realistic stretch goals is one way to create opportunities for employees to accomplish more with an appropriate level of support and the right competencies, skills set, right tools and perceived ability.

### Extrinsic Motivation

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In the organisation context, some examples include bonuses, praises and recognitions, promotions and other forms of financial and non-financial rewards.



## Introduction to Reward Management

A good reward system motivates employees and in turn their performance improves. Many factors come to play in developing a reward system that is acceptable to the employees, influences the performance of the employees and are aligned to the organisation's interest. There are four important cornerstones to create an effective reward system:

1. *Policies* are the guidelines to managing rewards in an organisation
2. Reward *practices* to offer financial and non-financial rewards should be encouraged in an organisation as a way to recognise employees with positive contributions
3. *Processes* must be in place to evaluate the relative size of jobs (job evaluation), and assessing individual performance (performance management) to ensure the system is equitable and fair
4. *Procedures* are needed to maintain the system to ensure it operates efficiently and flexibly

## Objectives

The main aims to create an effective reward system are to:

- Reward people according to what the organisation values
- Reward people for the value they create.
- Align reward practices with both business goals and employee values.
- Reward the right things to convey the right message about what is important in terms of behaviours and outcomes.
- Offer rewards that are valued by the employees and satisfy the different needs
- Facilitate the attraction and retention of the skilled and competent people the organisation needs.
- Help in the process of motivating people and gaining their commitment and engagement.
- Support the development of a performance culture.
- Develop a positive employment relationship and psychological contract.

## Developing Reward Strategy

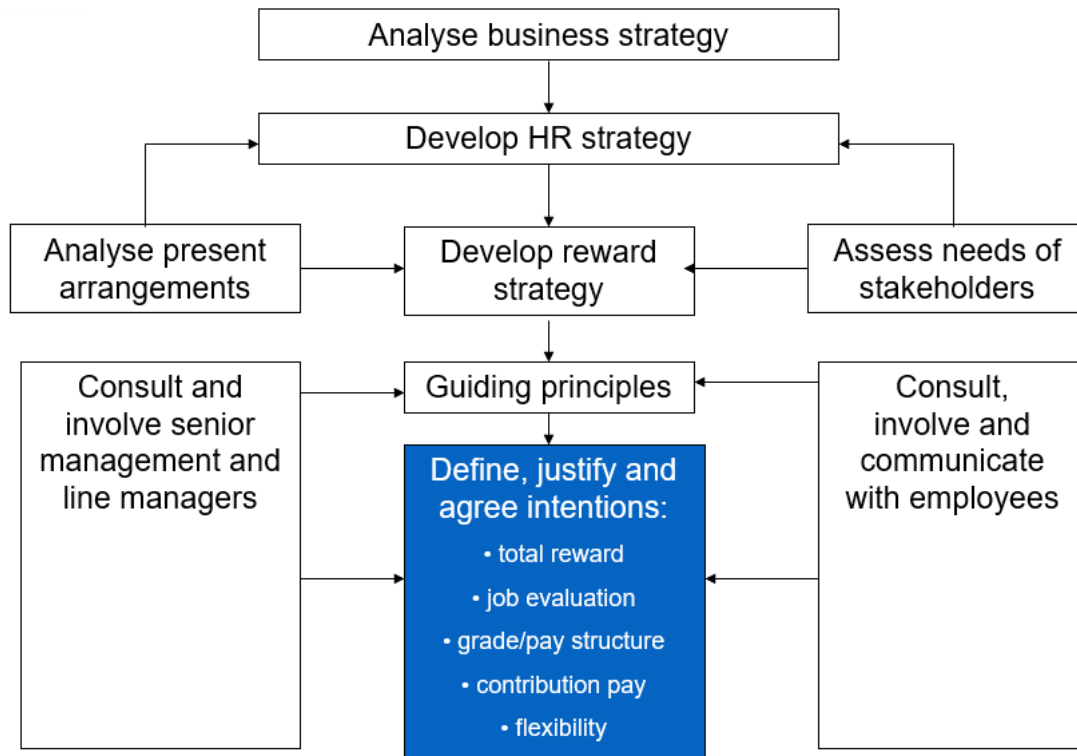
It is important to align the employees' interests with the employers'. It is also important to design rewards that will reinforce the right values, cultures and execute the right priorities for the organisation. Thus, it is in the best interests of the organisation especially SMEs not to leave employees' performance and motivation to chance. The connection is showed in the Figure 4.

- The owners/managers of the SME and workers must have some ideas where it is going, how it will get there, and how to measure whether it has arrived successfully.
- There is a positive relationship between rewards and performance, thus it is absolutely important to understand how to strengthen the link.



- In order to increase the organisation's performance, it is absolutely critical to develop a strategic framework which links reward processes with its HR processes so that they are more coherent and mutually supportive.

Figure 4. Total reward management

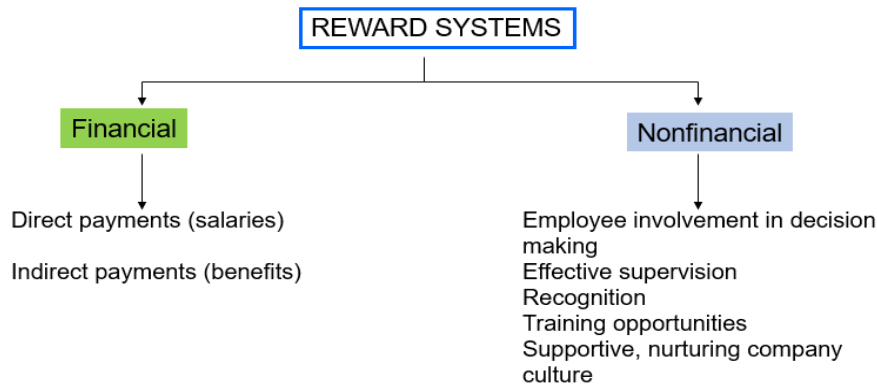


Source: Armstrong (2006b)

### Financial and non-financial rewards

Rewards can be categorised into financial and non-financial rewards. It is worth highlighting that Money is always a powerful factor directly or indirectly leading to the satisfaction of needs. However, it is not effective with the people with intrinsic motivation, and people who have no expectation of achieving the financial rewards. This is an important factor for consideration especially in SMEs context when financial resources are limited while SMEs have many other qualities which can differentiate its reward system from those with deep pockets. Some examples include a positive working atmosphere, job enrichment and enlargement, empower employees in key decisions, involving them in key business activities, offering recognition to employees with achievement through praises and thank you notes etc. (see Figure 5).

Figure 5. Reward systems

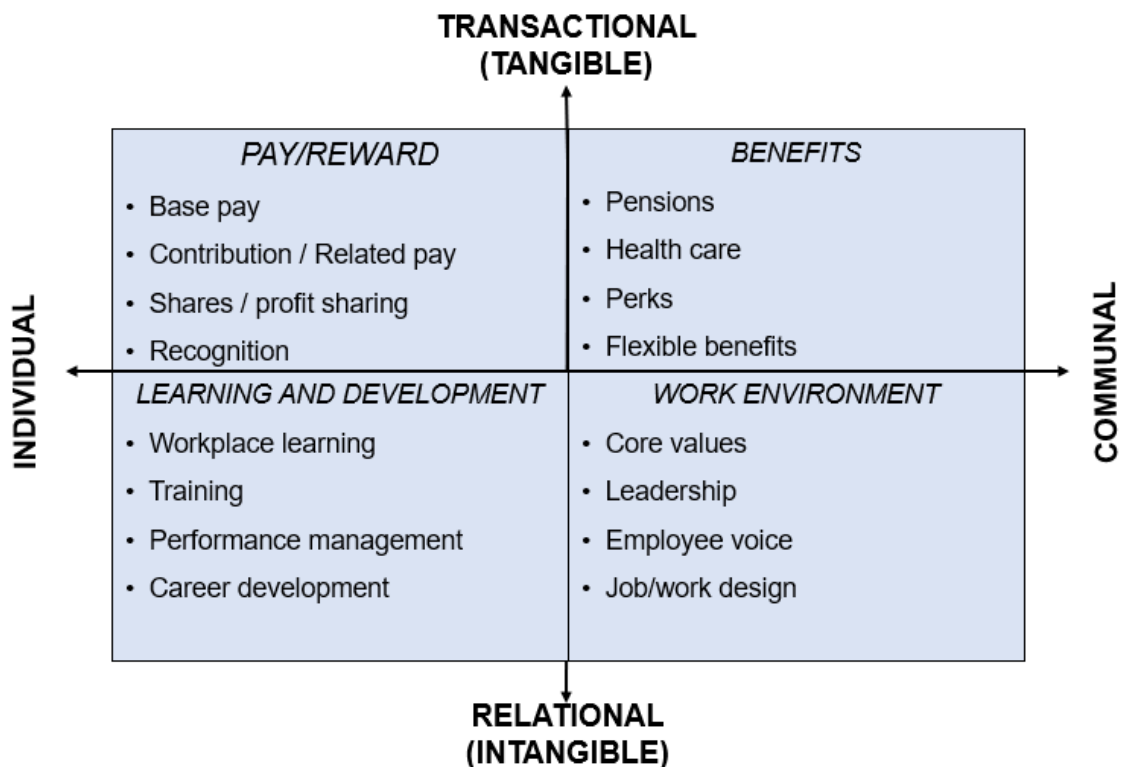


Source: Armstrong (2006a)

### Rewarding Individuals or Teams

One of the key questions when exploring the subject of rewards and recognition is the identification of an individual or a team-based rewards system. This is an important consideration in a SMEs because unhealthy competition may result in poor work atmosphere, deter transfer of knowledge and finally creates unnecessary peer competition. On the other hand, it is also important to recognize a star performer or an outstanding employee without damaging his or her relationship with their peers. Thus, depending on the firm's culture and value, it is important to consider this aspect when designing the reward system (see Figure 6).

Figure 6. Total rewards



Source: Armstrong & Brown (1999)



## Principles of Total Reward

Total reward takes into account what an employee values from their employment relationship, which not only includes monetary benefits such as the main salary, but other rewards that are linked to their achievements, personal growth and working environment (see Table 1).

Table 1. Reward categories and examples

Monetary rewards/pay in-kind benefits	Non-monetary rewards and incentives
<ul style="list-style-type: none"> <li>• Basic salary</li> <li>• Bonus schemes</li> <li>• Stock options</li> <li>• Profit sharing plans</li> <li>• Gainsharing plans</li> <li>• Discounts on company's or partner company's products and services</li> <li>• Free coffee</li> <li>• Subsidised or free gym and other memberships</li> <li>• Shopping vouchers</li> <li>• Luncheon vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Job enrichment</li> <li>• Job rotation</li> <li>• Flexible hours</li> <li>• Good working atmosphere</li> <li>• Pleasant and safe work environment</li> <li>• Empowerment through delegation</li> <li>• Job security</li> <li>• Praise and recognition</li> <li>• Work-life balance</li> <li>• Training and development opportunities</li> </ul>

Source: Adapted from CIPD and Armstrong & Taylor (as cited in Komulainen et al., 2019)

## Specifics of employee motivation and reward management in SMEs

Many SMEs have overlooked the importance of motivating and rewarding their employees. This can be a problem to developing a sustainable workforce in SME where workers are younger or older, less well-trained and more likely to change work places compared with in larger where there may be more opportunities for internal promotion and professional development. Also, closer social-working relationships may be a significant factor to enhance SME workers' satisfaction.

Thus, we hope this chapter will reiterate the importance of rewarding employees and provide some basic tools for SMEs to incorporate as practices to consider when designing and implementing their human resource management strategies.



Many SME managers may feel that fewer resources constrain their competitiveness to reward their employees in comparison with larger corporations. However, from this chapter, it is evidenced that there are many other factors for consideration to motivate employees with the right rewards. There are many non-financial options which can be more effective than higher pay or a bigger bonus such as a family friendly culture. For example, compensating employees fairly, support to help employees tap their potentials, a good design of job which can enrich their personal developments, providing appropriate recognition and praises, planning their developments, empowering them with a voice etc. are actions an SME can explore with some extra managerial resources but little financial impact on its costs. When done right, this will result in better staff retention, increased staff motivation and productivity, improved organisation culture and work atmosphere which will result in better customer experience, thus the positive impact on the company's bottom line!

Also, it is worth highlighting that in SMEs there is an advantage for rewarding their employees over larger companies. This is commonly known as the owner-manager prerogative. The owner is often seen as a central figure in pay arrangements and also in employment relationships and practices. In addition, they are focused as respondents in HRM practice research, targets of government support and policies, and as strategic heads. When determining rewards, owner-managers can use their prerogative over employees. For example, instead of financial rewards, employees might receive other non-financial rewards such as paternity/maternity leave that is longer than statutory requirements, late morning starts and flexible working.

It is also observed that some SMEs find it difficult to implement a formal performance-reward linked system or make them work effectively. Limited resources and competencies to carry out such formal reviews are two common problems.

Reward and recognition processes are dynamic, they vary from firm to firm and change over time. Owner-managers and employees accommodate, adapt to, and potentially struggle with one another in developing employment relationships. SME practices are produced by a mixture of external and internal influences. External factors such as legislation and national regulations interact with internal organisational processes.



## Survey results from SHARPEN - Employee remuneration/reward management

Many SMEs questioned in the SHARPEN project survey confirmed that reward management is not a task for one person in the organisation. Responses vary across countries in Europe. As Table 2 shows, responsibility for reward management in SMEs is often undertaken by owners (however, it varied from 34% in the Lithuanian region of Klaipeda to more than 85% in the German region of Zwickau. The responsibility is usually shared with line managers. The process support can be also provided by an HR specialist. In Lithuania and Finland (Kajaani), accountants also participated in reward management (probably mainly in relation to regular wages/salaries payments).

Table 2. Who undertakes employee remuneration/reward management (%)

Country	Who undertakes employee remuneration/reward management (%)							
	Owner	Line manager	HR specialist	Accountant	Admin. worker	External HR specialist / agency	Other	Activity is not performed
<b>CZ</b>	52.50	55.00	11.25	2.50	3.75	0.00	3.75	2.50
<b>Finland</b>	79.45	19.18	4.11	17.81	0.00	5.48	2.74	4.11
<b>Germany</b>	85.54	32.53	38.55	1.20	0.00	1.20	4.82	1.20
<b>Lithuania</b>	34.07	50.55	13.19	16.48	4.40	1.10	2.20	8.79
<b>UK</b>	45.07	28.17	43.66	9.86	1.41	0.00	4.23	8.45

Source: Maršíková et al. (2019)

*Note: respondents could choose more than 1 option*

You can find more information about the SHARPEN research in our research publication:

Maršíková, K., Rajander, T., Clauß, A.-M., Medžiūnienė, I., Meschitti, V., Štichhauerová, E, Davies, J., Dulké, D., Komulainen, R., Macháčková, V., Richter, M., Schumann, C.-A., Moš, O., & Forkel, E. (2019). *People management challenges for SMEs in five European regions: Spotlighting the (in)visible and the (in)formal and embedding SME HR issues firmly in the business and knowledge environment*. Huddersfield, UK: University of Huddersfield. ISBN: 978-1-86218-168-7

Link: [https://sharpen.ef.tul.cz/upload/PublicationHRMinSMEs\\_research.pdf](https://sharpen.ef.tul.cz/upload/PublicationHRMinSMEs_research.pdf)



## Summary

Reward management is concerned with the strategies, policies and practices required to ensure that the value of people and the contribution they make to achieving organisational, departmental and team goals are recognised and rewarded. Reward management includes not only pay and employee benefits, but also non-financial rewards such as appreciation, learning and development opportunities and increased job responsibility.

The aims of reward management are: to reward people according to what value they create and what the organisation values, align reward practices with both business goals and employee values, reward the right things to convey the right message about what is important in terms of behaviours and outcomes, facilitate the attraction and retention of the skilled and competent people the organisation needs, help in the process of motivating people and gaining their commitment and engagement, support the development of a performance culture and develop a positive employment relationship and psychological contract.

The aims of reward management are achieved by developing and implementing strategies, policies, processes and practices that are founded on a philosophy, operate in accordance with the principles of distributive and natural justice, function fairly, equitably, consistently and transparently, are aligned to the business strategy, fit the context and culture of the organisation, are fit for purpose and help to develop a high-performance culture.

The determination and maintenance of a fair and effective reward system within an enterprise is one of the most important and most difficult tasks. Designing a pay system involves striking a balance between the objectives of employer and employee, however, in small regional SMEs with limited resources we advocate a best fit rather than best practice approach.

You can find more practical information and advice in our publication:

Komulainen, R., Maršíková, K., Davies, J., Srėbaliūtė, I., Clauß, A.-M., Moš, O., Muschol, H., Rydvalová, P., Forkel, E., & Štichhauerová, E. (2019). *A Good Practice Guide to Managing Human Resources in Regional SMEs*. Huddersfield, UK: University of Huddersfield.  
ISBN: 978-1-86218-167-0

Link: [https://sharpen.ef.tul.cz/upload/HRM4SMEs\\_Handbook.pdf](https://sharpen.ef.tul.cz/upload/HRM4SMEs_Handbook.pdf)



## Section review questions



1. What is reward management?
2. What are the main aims of reward management?
3. What is a reward system?
4. What is the meaning of reward?
5. How does reward impact on performance?
6. What are the differences between financial and non-financial rewards?
7. What reward systems may be appropriate for SMEs?

## Video links

SHARPEN. Practical Tool for SMEs – Reward and Incentive Scheme. Link for video 1: <https://youtu.be/PpoDwxSBnqA> and for video 2: <https://youtu.be/abz7B7Veggc>.

SHARPEN. Rewards and Incentive for SMEs. Link: <https://www.youtube.com/watch?v=8Fz8SHedBnQ>.

SHARPEN. Employee motivation practical tool. Link: <https://www.youtube.com/watch?v=xtJnb4UG8eo>

## Dictionary

<b>Extrinsic motivation</b>	External factors which affect the motivation of a person such as recognition, praise, performance-based bonus.
<b>Intrinsic motivation</b>	Internal individual drivers e.g. the satisfaction arising as a result of accomplishing a challenge or an output for which the person is proud.
<b>Motivation</b>	The factors that drive an individual to act or behave in a specific way.
<b>Rewards</b>	These can be monetary or non-monetary incentives given to employees. Examples include recognition, praises, promotion, enriching the person's job, providing greater autonomy and decision-making power (non-monetary) or pay rise, bonuses etc. (monetary)



## Case studies

### 1. I DON'T JUST WORK HERE, I BELONG HERE!

The merger of two sister SMEs had impacted the motivation and productivity of the surviving, post-merger SME. The CEO and the HR Manager believed the development of a good reward system linked to clearly defined business goals would help motivate the employees to excel again. The case study explains some basics about employee motivation and how the reward system can be linked to performance. It also identifies a selection of non-financial rewards which are suitable for SMEs.

#### SHARPEN Team #1:

Country	Year	
FIN	2017	
<a href="https://sharpen.ef.tul.cz/upload/CH4case1.pdf">https://sharpen.ef.tul.cz/upload/CH4case1.pdf</a>		

#### SHARPEN Team #2:


Country	Year	
FIN	2017	
<a href="https://sharpen.ef.tul.cz/upload/CH4case1b.pdf">https://sharpen.ef.tul.cz/upload/CH4case1b.pdf</a>		






## 2. IS EMPLOYEES INTRINSIC MOTIVATION IMPORTANT IN SMES?

The case study describes medium-sized company working in service and food production and supply sector. The HR problem is emigration of the labour force. The general trend of emigration influences the labour force in this company, it is becoming more and more difficult to find new employees and to keep them. The company has to compete not only with the local companies, but also to stick to the general trends in the labour market in the European Union. The practical solution for this company was to rise employee motivation by: regular feedback and attention to every employee; employee involvement in company's improvement and decision making; monthly employee plans.

Country	Year	
LIT	2018	
<a href="https://sharpen.ef.tul.cz/upload/CH4case2.pdf">https://sharpen.ef.tul.cz/upload/CH4case2.pdf</a>		

## 3. WHAT ARE THE BEST WAYS TO MOTIVATE YOUR EMPLOYEES?


The case study describes a medium-sized company that specializes in customs services: it provides customs intermediary services in all customs posts in Lithuania, it carries out an audit of customs procedures, organizes trainings and consults on the issues of the law of customs, making intrastat accounts. The study analysed HR motivation practices applied in the organisation. The company's SWOT table was created. The company's organisational structure, the most important employee motivation methods and opportunities were analysed. Improving motivation can contribute directly to the improvement of economic and financial results of the company: growth of employee job satisfaction, employee loyalty, labour efficiency, turnover and other financial indices.

Country	Year	
LIT	2018	
<a href="https://sharpen.ef.tul.cz/upload/CH4case3.pdf">https://sharpen.ef.tul.cz/upload/CH4case3.pdf</a>		




#### 4. EMPLOYEE MOTIVATION

The case study describes a medium-sized publishing and printing house. The SME deals with a lack of employee motivation and an ineffective employee motivation system. This causes a decrease in employee performance and does not inspire employees to remain in their workplaces. Analysis of the motivation system the SME lead to a conclusion that the company has to improve its existing motivation measures. Action planning for improving motivation measures include: extra payments depending on results; gratitude, appraisals; improved wages; positive relationships with colleagues; lack of data on the organisation's motivation system.

Country	Year	
LIT	2019	
<a href="https://sharpen.ef.tul.cz/upload/CH4case4.pdf">https://sharpen.ef.tul.cz/upload/CH4case4.pdf</a>		

#### 5. MOTIVATION – A KEY FACTOR

This case study deals with the topic of motivation in a medium-sized enterprise in Saxony, Germany. The HR problem is a decrease in satisfaction, which could be explained by a lack of employee motivation. The research problem is to establish if and why the employees in the case study company are not as motivated as they used to be. The practical part of this case study focuses on applying theoretical HR knowledge to the case study company. A survey with specific motivation-orientated questions has been designed.

Country	Year	
GER	2019	
<a href="https://sharpen.ef.tul.cz/upload/CH4case5.pdf">https://sharpen.ef.tul.cz/upload/CH4case5.pdf</a>		



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HRM4sme<sub>s</sub>

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## Appendix

Table 3. Reward approaches part 1

	Reward approaches
Base pay structures	Individual rates/ranges/spot salaries Narrow-graded Pay spines/service-related Job family Broad-banded
Base pay determination	Market rates (with JE) Ability to pay Market rates (without JE) Collective bargaining
Base pay progression criteria	Individual performance Competencies Market rates Employee potential/value/retention Skills Length of service
Base pay review factors	Ability to pay Going rate Movement in market rates Inflation Recruitment/retention issues Government funding/pay guidelines Union/staff pressures Living Wage pressures Shareholder views National Minimum Wage pressures
Employers offering a performance-related reward scheme	
Individual performance-related schemes	Individual bonuses Merit pay rises Combination schemes Sales commissions Individual non-monetary recognition awards Ad hoc/project-based schemes Other individual-based cash incentives
Group performance-related schemes	Goal-sharing Profit-sharing Group- or team-based non-monetary recognition Group- or team-based non-monetary incentives Gain-sharing

Source: CIPD (2013)



Table 4. Reward approaches part 2

Reward approaches	
<b>Employers offering LTIs</b>	
<b>Top six long-term incentives</b>	<ul style="list-style-type: none"> <li>Executive share option schemes</li> <li>Company share option plan (CSOP)</li> <li>Share incentive plan (SIP)</li> <li>Save as you earn (SAYE)</li> <li>Executive deferred annual cash-based bonus</li> <li>Executive restricted/performance share plan</li> </ul>
<b>Top six universal benefits</b>	<ul style="list-style-type: none"> <li>Paid bereavement leave</li> <li>Pension scheme</li> <li>Training and career development</li> <li>25+ days' annual leave (excl. public hols)</li> <li>Death in service/life assurance</li> <li>Christmas party/lunch</li> </ul>
<b>Employers providing total reward statements</b>	
<b>Employers offering voluntary/affinity benefits</b>	
<b>Employers offering flexible benefits</b>	
<b>Employers contributing to a pension scheme</b>	
<b>Open pension schemes</b>	<ul style="list-style-type: none"> <li>Defined contribution</li> <li>Defined benefit</li> <li>Contribution to personal pension</li> <li>Hybrid/other</li> </ul>
<b>Membership levels of open DC pension schemes</b>	<ul style="list-style-type: none"> <li>10–30%</li> <li>31–50%</li> <li>51–70%</li> <li>Over 70%</li> </ul>
<b>Organisations auto-enrolling members to DC pension schemes</b>	
<b>Average employer contribution to main DC pension schemes</b>	
<b>Average employee contribution to main DC pension schemes</b>	
<b>Employers predicting change to pension schemes</b>	
<b>Top six changes to pension schemes</b>	<ul style="list-style-type: none"> <li>Comply with auto-enrolment requirements</li> <li>Increase employee DB contributions</li> <li>Introduce salary sacrifice</li> <li>Reduce the value of the DB plan</li> <li>Increase employee DC contributions</li> <li>Amend the DC default investment options</li> </ul>
* % of respondents operating a performance-related/long-term incentive scheme/pension scheme	
* % of respondents predicting pension changes	

Source: CIPD (2013)