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## Bonus & Incentive Pay

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## Introduction

Many employers have been searching for the best way to attract and retain talent in the midst of one of the fiercest talents wars yet. Seventy-four percent of organizations in this study indicate they are occasionally to very frequently offering candidates starting salaries outside the regular starting pay ranges as a tactic to try and gain talent.

As a result of the talent challenges, 90% of organizations have adjusted the pay ranges in their organization for 2022 to recruit and retain talent. However, standard pay is just one tactic of attracting talent. Other bonuses and incentives are being promoted as a part of recruiting and retention strategies in this challenging time.

Variable pay has become a necessity for many looking to gain an advantage in recruiting, but it is a moving target. In 2021, signing bonuses became a popular topic and newsworthy discussion arose surrounding how organizations are handling the talent shortage and mass movement of employees. Moving into 2022, 37% of organizations will be offering a signing bonus to some, if not all, of their new hires.

Executive-level positions are most commonly offered more than \$5,000 (38%) as a sign-on bonus while production, office, and technical positions are most commonly offered between \$500 - \$2,500. Of organizations that offer a signing bonus, 75% have a retention requirement associated with the signing bonus, with over half requiring at least a year of service. Most organizations also include a retention requirement for the employee to pay back all (33%) or a prorated amount if resigning prior to the designated length of service (47%) stated in the signing bonus.

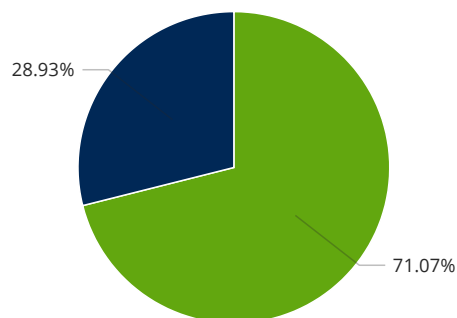
Referral bonuses continue to be a popular tactic of recruiting new talent. Seventy-two percent of organizations are offering a referral bonus for their employees to encourage participation in the recruitment process for the organization. That bonus is commonly offered between \$500 - \$1,000, though there is a wide variety of bonus amounts offered. With a referral bonus comes an understanding and expectation of the newly hired employee to remain in the organization. Another area of varying response is the length of time required for the new hire to work prior to the first payment of the referral bonus. It is clear that there is not one common practice, though the most common responses were after 30 days, 90 days, and six months.

Attendance bonuses and retention/stay bonuses are shown to be a less popular bonus offering compared to other variable pay options. Only 14% of organizations are offering an attendance bonus at this time. Likewise, only 8% of organization are offering a retention/stay bonus. The lack of popularity of these variable pay options could be explained by the increased starting wage & salaries of existing positions. As organizations make decisions to increase base pay, hoping that may help attendance and retention, incentivizing may not seem as necessary.

## Conclusion

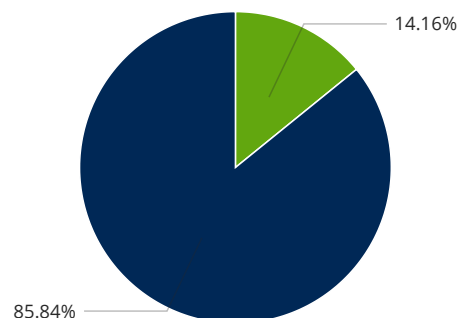
Compensation of employees and new hires will continue to be a concern and challenge in 2022. As the labor market continues to be very competitive, businesses will continue to try to provide enticing offers to potential candidates that differentiate their organization from the competition. Using research provided by MRA will keep you apprised of how organizations are changing through the year.

Does your company offer a referral bonus?



■ Yes ■ No

Do both the new hire and employee receive a bonus?

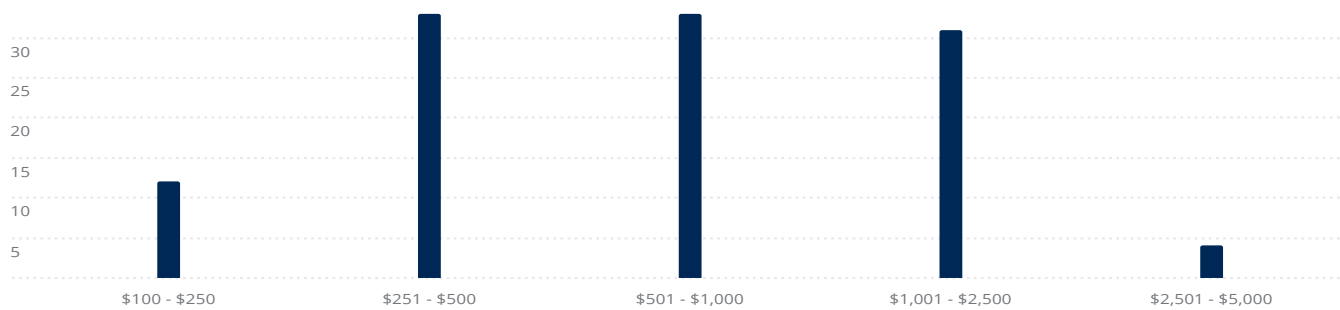


■ Yes ■ No, just the employee

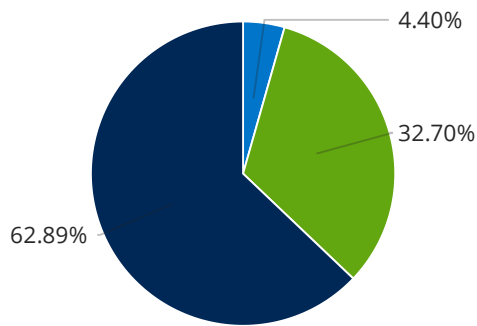
When is the first payment of the referral bonus?*	Count
<a href="#">After 30 days</a>	6
<a href="#">After 90 days</a>	60
<a href="#">After 6 months</a>	2
<a href="#">Other</a>	5

\*Initial question (when is the referral bonus paid?) produced inclusive results to display. Answers were coded to fit new criteria.

What is the amount of the hiring bonus, per person, inclusive of all payments?



Does your company offer a signing bonus?



■ Yes - For all positions
 ■ Yes - For some positions
 ■ No

What range is the signing bonus for each position level?

	\$100 - \$250	\$251 - \$500	\$501 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	More than \$5,000	No bonus offered
Executive-level positions	-	4%	4%	10%	10%	38%	36%
Director/Management positions	-	6%	6%	28%	24%	19%	24%
Production/Floor positions	2%	13%	19%	17%	4%	2%	48%
Office/Administration positions	8%	8%	12%	24%	8%	2%	49%
Technical/Maintenance positions	2%	10%	22%	16%	10%	2%	44%

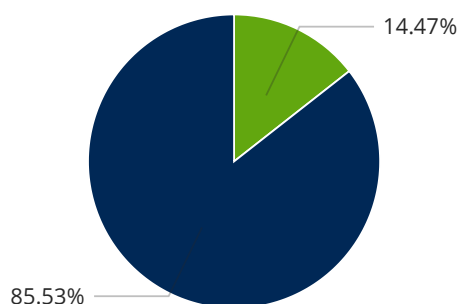
When is the first payment of the signing bonus?*	Count
When hired	2
After 30 days	20
After 90 days	19
After 6 months	8
Other	6

\*Initial question (when is the signing bonus paid?) produced inclusive results to display. Answers were coded to fit new criteria.

Is there a retention requirement for an employee who received a signing bonus?	Count	Count
No	14	25%
Yes - employee must remain in position for 1 - 3 years	8	14%
Yes - employee must remain in position for at least 1 year	24	42%
Yes - employee must remain in position for at least 6 - 12 months	11	19%

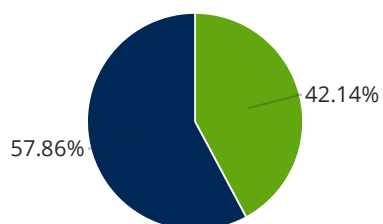
How much of the signing bonus does an employee pay back if they do not meet the criteria?	Count	Count
We do not require the employee to pay back the bonus	9	21%
Prorated to length of service	20	47%
Full amount	14	33%

Does your company offer an attendance bonus?



■ Yes ■ No

Does your company offer an incentive bonus?



■ Yes ■ No

How is the attendance bonus determined?

	Count	Count
Based on days worked over a determined period of time	7	30%
Flat dollar amount	16	70%

What is the criteria for incentive pay?  
(select multiple if necessary)

	Count	Count
Company profitability	47	70%
Meeting department goals	33	49%
Production levels met	21	31%
Other	12	18%
Length of time	8	12%

### Who is eligible for incentive pay? (select multiple if necessary)

	Count	Count
Director/Management positions	57	85%
Executive-level positions	47	70%
Office/Administration positions	51	76%
Production/Floor positions	44	66%
Technical/Maintenance positions	42	63%

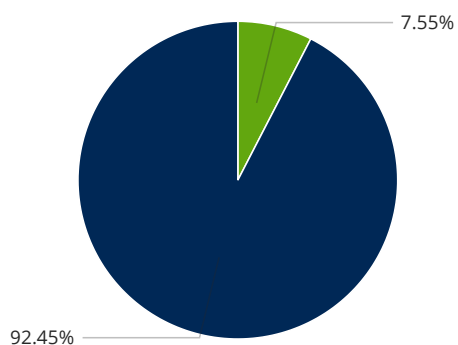
### How often is the incentive paid?

	Count	Count
Annually	46	69%
Each pay period	3	4%
Half year	2	3%
Monthly	6	9%
Quarterly	10	15%

### How is the incentive paid?

	Count	Count
Amount per hour or unit	6	9%
Based on criteria met	44	66%
Flat dollar amount	17	25%

### Does your company offer a retention or stay bonus?



■ Yes ■ No

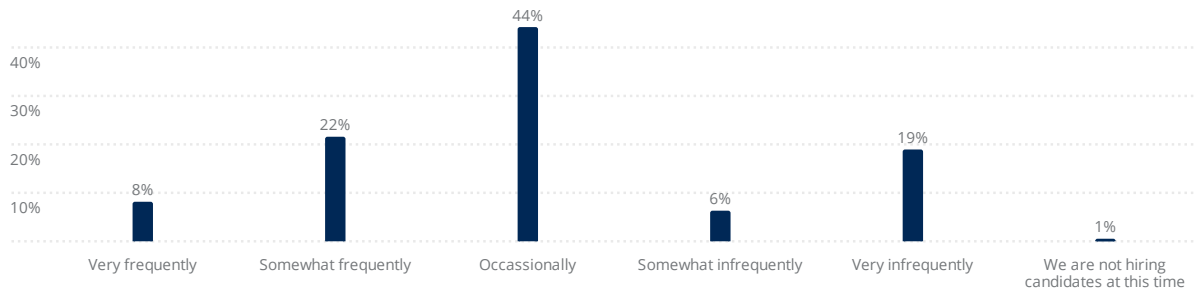
### How do you determine the amount paid for a retention or stay bonus?

	Count
Flat dollar amount	5
Position (i.e. management, production, leadership)	4
Length of service	3

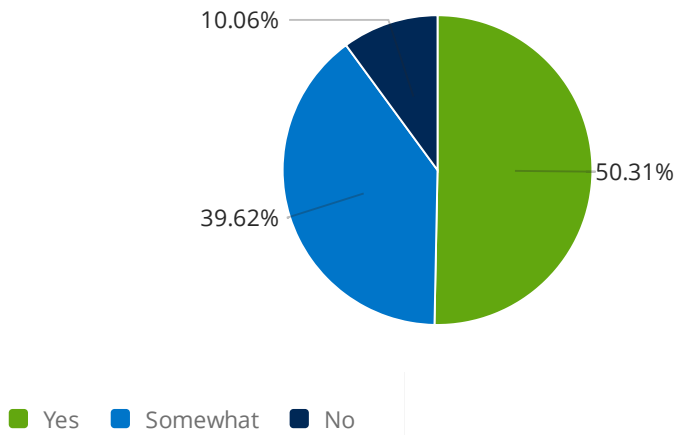
### What is the amount of the retention bonus?

	Count
Based on salary	4
\$1,000 - \$2,500	4
Less than \$500	2
\$501 - \$1,000	1
\$2,501 - \$5,000	1

### How often are you currently offering candidates starting salaries outside established starting pay ranges in your company?



### Have you adjusted pay ranges in your organization for 2022 to recruit and retain talent?





# Bonus & Incentive Pay

## Demographics

What region in Wisconsin is your company located?

Count

Milwaukee Metro (Milwaukee, Ozaukee, Washington, & Waukesha counties)

159

Please select the industry that best describes your company

Count

Count

Education Services

1

1%

Financial Activities

8

5%

Goods producing, Non-manufacturing

3

2%

Health Services/ Health Care

8

5%

Manufacturing

79

50%

Other

40

25%

Services

19

12%

What is the size of your company?

Count

Count

1,000 or more employees

4

3%

101 to 200 employees

36

23%

201 to 500 employees

27

17%

25 to 50 employees

19

12%

501 to 999 employees

8

5%

51 to 75 employees

19

12%

76 to 100 employees

29

18%

Less than 24 employees

17

11%



## Rely on Us

### MRA Surveys

Since 1901, MRA has produced high-quality, trusted surveys that help provide confidence of data-driven decisions within member organizations. Our team of professionals with expertise in survey design, statistical analysis, compensation, and market research provide accuracy and insights that help your organization succeed.



#### Policies, Benefits, & Trends Data

Staying current on policies, benefits and trends can be daunting. We offer a variety of surveys to help you keep current and compliant.



#### Compensation Data

We offer compensation data for over 1,000 unique jobs—providing you with accurate data for all areas within your organization.



#### Business Insight & Intelligence

What would you like to ask your customers or employees today? We can help provide answers to your most pressing questions about your business.

### Questions regarding this survey?

Contact the Survey Department at [Surveys@mrnet.org](mailto:Surveys@mrnet.org) or **800.488.4845 ext. 3508**.