

Making Employee Gifts Count

Secrets for Gift-Giving Success





HOW DO YOU SHOW APPRECIATION AT WORK?

Do you mark achievements, career milestones and holidays with employee gifts? If so, you're in good company.

The Incentive Federation estimates that 72% of U.S. companies purchase employee gifts – spending more than \$23 billion a year. And during the holiday season alone, 4 out of 5 employers share bonuses or gifts with employees, spending an average of \$79 per employee on gifts, according to the Advertising Specialty Institute.

In this era of rising costs, how can you be sure your gift budget is well spent? It starts by recognizing that you don't need a big budget to make a big impact.

What sets great gift-givers apart? They know that the value of a gift isn't about its monetary cost, but the spirit in which it's given. They also see giving as a chance to make a statement that extends beyond the gift itself.

Figuring out employee gift-giving isn't always easy. So, to help you navigate this process, we compiled the very best advice from employee appreciation experts and consolidated their thinking into five gift-giving secrets to success.

We hope you enjoy this short guide and it helps you bring more joy and appreciation to your workplace!

5 SECRETS TO SUCCESSFUL EMPLOYEE GIFT-GIVING

- 1) Recognize that gifts send a powerful message
- 2) Embrace gift-giving as an opportunity to show you care
- 3) Consider what employees value
- 4) Consider gifts that keep on giving
- 5) Wrap every gift in gratitude



RECOGNIZE THAT GIFTS SEND A POWERFUL MESSAGE

Gifts are a tangible way to express your appreciation for each employee's contribution to your organization. It may seem like a simple gesture, but expressing genuine appreciation matters to recipients more than you may think.

Although salary and benefits are certainly important, research reveals that when employees feel valued by managers, they're much more likely to be happy, engaged and productive at work. In other words, as Duke University behavioral economist Dan Ariely says, "recognition drives engagement and engagement drives productivity."

These assumptions aren't based on academic studies alone. Consider these real-world findings:

81% of workers say appreciation from their boss **motivates them to work harder.** (Glassdoor)

Among workers who feel valued, 88% feel engaged and 93% say they're motivated to do their best. (American Psychological Association)

When gratitude is regularly expressed, **employee engagement**, **productivity and customer service ratings are 14% higher**. (Bersin by Deloitte)

The **most important engagement factor** is whether employees feel their manager is genuinely interested in their wellbeing. (Towers Watson)

On the other hand, a lack of appreciation has serious negative business consequences. Gallup says that lack of appreciation is the primary reason people quit their jobs. In addition, Gallup estimates that **low employee engagement costs U.S. businesses up to \$550 billion a year, overall!**

Imagine how much disruption and waste could be avoided if organizations devoted just a bit more time, effort and budget to improving employee appreciation. Of course, gifts alone

What Really Counts?

As we mentioned previously, the most important thing about an employee gift isn't its monetary value. Nor is it the act of giving itself. What matters most is the care you put into choosing a gift and the way you present it.

Effective gift-giving transforms an obligatory gesture into a memorable experience. It's about investing time and attention to consider a recipient's interests and choosing a meaningful symbol of your gratitude. For some people, this can be intimidating. But it doesn't have to be that way. A well-given gift starts with your mindset.

can't create a workplace culture of gratitude. But they can play an integral role in helping managers express appreciation to individuals and teams for a job well done. How? Let's look closer at what the experts say.



EMBRACE GIFT-GIVING AS AN OPPORTUNITY TO SHOW YOU CARE

Anyone who has selected employee gifts knows it can be tricky. You may find it difficult to imagine what others will value receiving. But remember, intentions count. When gifts of any kind are shared with a spirit of appreciation, they're bound to be appreciated in return.

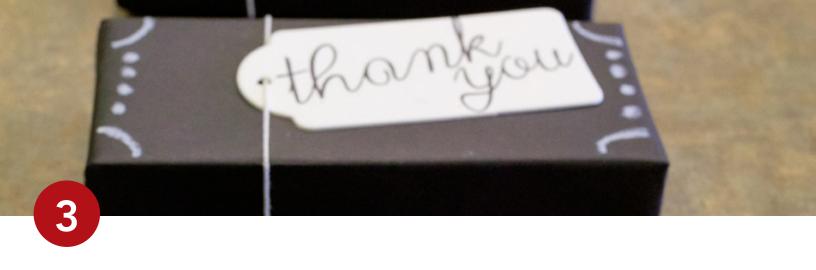
So why not make it easy on yourself? Don't look at workplace gifts as an obligation. If you do, you'll miss an opportunity to create a meaningful experience for yourself, for recipients and for your organization, overall. After all, gift-giving is an opportunity to sincerely show you care about employees – and value their hard work and contributions to the success of your business.

Cost: How Much Is Enough?

Lavish gifts aren't necessary to achieve a positive impact. Employees may welcome expensive gifts, but they value low-cost recognition, too. In fact, *Make Their Day!* author Cindy Ventrice notes that people often say they want costly rewards, but actually are more motivated by nocost or low-cost alternatives. In a survey of 1,200 workers, she found that more than 70% of the most meaningful recognition is free. Other researchers overwhelmingly agree – tangible goods aren't as important as a sincere, specific Thank You.

FACT: Nearly 1 in 4 employers spend more than \$100 per person on holiday gifts for employees. Does that sound too pricey? Many organizations feel the same way – they can't afford expensive tokens of appreciation. But limited finances shouldn't stand between you and an opportunity to celebrate. Focus instead on items that fit within your budget.

Heartfelt gifts are always welcome – **especially when they're unexpected**. What matters most is that you take time and effort to acknowledge and celebrate the people who contribute daily to your organization's success.



CONSIDER WHAT EMPLOYEES VALUE

Even if you have a limited budget, the world is filled with endless possibilities. So, how do you pick the perfect gift? What items are valued most?

According to a broad survey by Glassdoor, employees prefer recognition in a variety of forms:

75% - Pay raise

46% - Unexpected treats or rewards

40% - Involvement in decision making

37% - Career development opportunities

35% - Company-wide recognition

34% - Opportunity to do interesting work

32% - Variety of work

26% - Telecommuting opportunities

24% - Company-sponsored social events

These insights are interesting, but of course they only represent general recognition preferences. How can you narrow the options for an individual employee? And how can you make that gift truly special and distinctive?

Think Strategically and Personally

McDowell Incentives suggests a **top-down strategy** inspired by Jim Brintnall's **"SMART" recognition model**. Specifically, choose a gift that is:

SUPPORTIVE — Does your gift fit organizational values? For instance, if your brand is family-friendly, think about ways to help employees spend quality time with the people they love.

SIMPLE — Complicated items often come with frustration or failure. Choose a gift that works out of the box over one with assembly required.

MEANINGFUL — Aim for value-add. Even if the recipient says only, "I can really use this!" you've picked a winner.

ADAPTABLE — Flexible options let recipients make choices that fit their personal taste. For example, an avid reader might enjoy your favorite book, but probably would prefer a bookstore gift card to select something they would enjoy most.

RELEVANT — Contextual alignment is key. In other words, someone who has worked nights and weekends to meet an ambitious deadline is likely to appreciate extra time off more than anything.

TIMELY — The sooner you recognize a work achievement, the better. But better late than never!



Ask Employees Directly

Many experts recommend a simple, straightforward way to select gifts – **ask directly for ideas** long before you need the answers. For example, when **onboarding new hires**, include a special form that captures individual preferences. Employees are likely to appreciate you taking time to ask questions like these:

What activities/hobbies do you enjoy outside of work?

What kind of entertainment do you enjoy (sports, movies, music, books, other)?

Do you prefer receiving gift cards or tangible items?

What's your favorite restaurant?

What's your favorite snack?

What's your favorite sweet treat?

What's your beverage of choice – coffee, tea, wine, beer, water, other?

What's your favorite flower or plant?

Keep this data on-file with each employee profile, so managers can refer to it whenever they want to pick a gift that will hit the mark.

BOTTOM LINE: The more personalization you bring to a gift, the more value you'll add. But what does "personalization" really mean? It's not just about adding a corporate logo or a recipient's name. As the Incentive Research Foundation noted in its 2018 trend report, both gift-givers and recipients want **more depth in every gift** – meaning gifts that communicate that you [the gift-giver] really care about what's important to the recipient.

This has led to "everything from local sourcing, to products with organic roots, to items that are easily personalized and customizable." It's also why the overall gifting experience has become more important. In other words, "In a world where all things are varied, abundant and accessible, the gift itself must have a personal meaning and personalized delivery associated with it."

Gift-Giving "Dos" - At a Glance

Still not sure about the right choice for an individual or group? Check this brief list of suggestions we've gathered from multiple sources.

- Keep current trends in mind. Popular categories include apparel, gift cards, electronics, sunglasses and luggage.
- Avoid generic one-size-fits-all gifts. Just a little extra effort or thought can make a big difference to your recipient.
- Research shows that employees enjoy practical gifts they can share with their loved ones, such as food subscriptions or gift certificates for food items they can choose themselves.
- Work-related productivity apps and tools are also welcomed. (For example, people enjoy digital calendars and apps, Bluetooth speakers, noisecancelling headphones and earbuds.)
- When budgeting, look ahead. If you can't see yourself purchasing an expensive item for other employees in the future, move on.
- Why not pick a holiday gift that is meaningful for everyone? For example, you could give the uniquely American gift of a Thanksgiving turkey, Fourth of July pie or American flag.
- If you choose an everyday item (such as a travel mug), level up. Pick a nicer version than recipients would buy for themselves. It says you think they're special.
- For individual gifts, don't forget to consider the impact on others. It's important to be fair and equitable.
- Similarly, with group gifts, be sure all recipients can
 enjoy your selection. For example, if you reward your
 team with a pizza party, be sure to send virtual workers a pizza gift certificate and Skype them to
 connect with coworkers.
- For obvious reasons, steer clear of items that are overly personal, religious or political.
- If you're at a loss or pressed for time, simple-but-thoughtful expressions like flowers and **shareable treats** are always appreciated.
- Adding fun and creativity to the mix can be highly effective, especially if your budget is tight. Here are **55 interesting ideas** many of which are easy, fun and budget-friendly.





CONSIDER GIFTS THAT KEEP ON GIVING

In a world where tangible products are abundant and readily available at our fingertips, people are finding more meaning in experiences. Workplace gift trends reflect this shifting mindset.

When researching her book, "Make Their Day," Cindy Ventrice found that nearly 50% of respondents said the most memorable awards they received involved some type of work-related experience. Specifically, workers are interested in rewards involving training, a new responsibility, exposure to decision-makers or a chance to participate in opportunities beyond their daily routine.

This growing interest in intangibles extends to other employee gifts, as well. As the Incentive Research Foundation explains, **37% of workplace rewards now involve experiences** – including everything from sports, entertainment and adventure outings to classes, tours and travel. **Experiential gifts** are at an all-time high, and growth is expected to continue at 20-30% each year.

Why are experiences attracting so much attention? They connect employees with their personal interests. They also link these emotional connections with professional achievements. And perhaps most importantly, they create lasting, positive memories that individuals associate with their employer.

Escape rooms, amusement parks, hiking tours, bowling challenges, cooking classes, rock climbing – the ideas are limited only by your imagination and your budget. Even modest parties, picnics or group events can make a lasting impact. For example, consider this employee's story: "The Nicest Party I've Ever Been To."

Of course, experiential gifts can encourage recipients to act generously, as well. For example, **Clif Bar hosts a charity golf tournament** that supports underprivileged youth, and employees are able to

participate on company time. As one employee says, "This event lets me combine one of my passions – golf – with an opportunity to help others. It's a win-win."

Clif Bar also encourages workers to donate up to 1,000 bars a year to charities of their choice. This gives employees a chance to share with others, while fostering a culture where gifts flow in all directions.

BOTTOM LINE: The move toward experiential gifts reflects not only a desire for more gift choices, but also more meaning in every choice.



WRAP EVERY GIFT IN GRATITUDE

What sets great gift-givers apart is their ability to share their gift with sincere and heartfelt gratitude. They understand it's a chance to engage with employees and make a statement of appreciation that extends beyond the gift itself.

You can do this too! It's easy if you remember why you appreciate employees and communicate it sincerely. Try these tips to get in the right mindset:

When you deliver gifts, surround yourself with an atmosphere of gratitude. Take time out of a regularly scheduled company meeting or plan a special event to publicly celebrate every recipient.

Enlist a senior executive to deliver gifts in person. This sends a powerful message that your company deeply values every individual.

Go out of your way to be physically present to share a smile, a handshake and a full-throated "Thank You" along with every gift. If you can't be onsite during the hand-off, arrange a streaming video call for real-time, face-to-face communication that underscores their importance to you.

Always include a personal, handwritten note that thanks the recipient directly for their unique contributions. Long after the gift is gone, your note will remain as a tangible reminder of your gratitude. (For ideas about how to write an effective Thank You note, see our guide "Writing Thank You Notes Employees Will Treasure.")

Lastly, check in periodically to see how well your gifts are hitting the mark. Even an anonymous online survey can provide feedback to help you improve in the future.

No matter what gifts you choose to share with employees, or when and how you choose to deliver them, be sure to express your appreciation for employees on a regular basis. These moments can be tied to specific achievements, or they can blossom organically in the rhythm of daily organizational life.

With ongoing appreciation working on your behalf, you can strengthen relationships with everyone on your team and motivate them to improve their performance, one expression of gratitude at a time.

The choice is yours. What gift will you choose next?

Looking for more guidance about employee gift-giving? Check out our Ultimate Guide to Employee Gift-Giving.

Also, to learn more about how you can put the power of everyday gratitude to work for your organization, download our free ebook, Transforming Your Workplace with Gratitude.



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