



Global Reward Update

Incentive awards during the pandemic

January 2022

Background

Structuring employee reward in a way that engages and motivates employees is a perennially hot topic and since the beginning of the pandemic, interest in the ways of providing all-employee reward has increased markedly.

We are seeing more companies choosing to provide one-off awards and thank you payments to their employees and are delighted to share with you the results of our research into the provision of one-off and all-employee rewards within FTSE All Share companies¹.

In brief

In total, 33 companies have disclosed that they have made all-employee awards over the last 18 months. Based on these disclosures, awards were made by:

- 10% of FTSE 100 companies
- 9% of FTSE 250 companies
- 6% of FTSE SmallCap companies

The majority of the awards (59%) were in cash, with the remainder in the form of a share award. Almost half of the awards were made by companies in the Retail & Services sector.

Where the value of the awards was disclosed:

- award sizes ranged from £100 to £2,000 (with a median of £500)
- the average award size was:
 - £489 for FTSE 100 companies
 - £564 for FTSE 250 companies
 - £617 for FTSE SmallCap companies

In detail

Some examples of the individual awards made by companies are as follows.

FTSE 100 Company

As a special one-off recognition for helping the company thrive during the pandemic, all employees below Executive Management level were provided with a share award with a value of \$700. The award will be matched on a 2:1 basis if the initial share award is held for three years.

¹ Excluding investment trusts and companies incorporated overseas.

FTSE 250 Company

To create alignment with long term compensation and strategic goals and to share in the business growth, each employee below Executive Management level was provided with a one-off share award equal to 40% of salary (subject to a cap) which vests in three equal portions over a three-year period. All new joiners will receive a similar award subject to completing a probationary period satisfactorily.

FTSE SmallCap Company

To recognise and reward employees for their hard work and services and to provide an incentive to continue the success of the company going forwards, all employees were granted a one-off share award with a face value of £1,000, which will vest subject to an operating profit performance target being met.

Deloitte's view

A common theme amongst the examples we found was the intention to reward employees for their hard work and commitment during the pandemic. Although awards were provided in a range of industries, the high number of Retail & Services companies providing awards suggests that employers are keen to find ways to motivate employees where the pandemic has driven an increased demand for, or changes in, their existing services.

Who to contact

If you would like to discuss the above communication or any other equity services we provide (detailed [here](#)), please speak to your usual Deloitte contact or any of the following:

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