



Report 2026

# The **Science** of Reward at Work:

Why it's not landing the way  
organisations expect



## Foreword: Leaders need to care about how their people experience reward and recognition

Organisations are not short of intent when it comes to reward and recognition. Most employers understand there is value in rewarding and recognising people effectively, and aim to do so. What is less well understood is the difference between how reward is designed, and how it is experienced in practice.

This matters because work is not simply a thing we do or a place we go. It has a deep psychological dimension. Individuals bring not only their skills to work, but their effort, identity and sense of self.

In this environment, recognition functions as a signal. It indicates what is noticed, what is valued and whether an individual's contribution is acknowledged. Get that right, and confidence, trust, engagement and belonging all follow. So too does performance. Get it wrong, and individuals can begin to question their place.

Reward and recognition need to be understood not simply as systems or strategies, but as lived experiences that can make or break how valued people feel at work – and how much they are willing to deliver in terms of effort, loyalty and engagement. Understanding how people feel about how they are rewarded and recognised – whether they feel meaningfully valued – can only bring benefits.

Our purpose at Perkbox is to make every employee feel valued. This research shines a light on how well organisations are achieving that aim, where they are falling short and how they can bridge the gap to create cultures of recognition that drive organisational outcomes. I hope this paper supports you to reflect on how you can embed emotion into your reward and recognition strategy as deeply as economics, building value and feelings of being valued at every level.

**Tracey Paxton, Clinical Director, Perkbox**

**Tracey Paxton is one of the UK's leading applied psychotherapists, with 30 years of NHS experience. An Advanced Nurse Practitioner with an MSc in Cognitive Behavioural Psychotherapy, she chairs the Royal College of Psychiatrists Advisory Board and is Clinical Director at Perkbox.**



**Tracey Paxton, Clinical Director, Perkbox**

## Introduction: Unpacking the psychology of reward and recognition

At their most powerful, reward and recognition do more than boost performance, motivation and retention: they tap into deep emotions, making people feel valued. And people who feel valued drive more value for organisations.

To dig deeper into the vital emotional experience of reward and recognition, Perkbox surveyed 4,000 UK employees and 1,000 UK employers.

We found a gap between employer intention and employee experience. What is designed to communicate value often lands as tokenistic, formulaic, inconsistent or unfair. When that happens, investment is wasted, and even risks undermining motivation, trust and meaning. To drive value and make our people feel valued, it's time to take emotion as seriously as economics.

**Katie Jacobs is an award-winning business and HR journalist and editor. A well-regarded commentator on the world of work, she was previously editor of HR magazine and has contributed to People Management, Employee Benefits, Management Today and more.**



**Katie Jacobs, HR and business journalist**

The survey referred to in this paper was conducted by OnePoll in April 2026.

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# Executive summary: Key findings for people leaders



## 01 Recognition is the exception, not the norm

Recognition matters to how valued people feel at work, but it is rare. Recognition is almost entirely absent in how many people experience work. And if people don't feel valued it risks eroding engagement and performance.

**Only 37%**

of employees received feedback in the last month that made them feel valued

**1 in 4**

employees **rarely** feel recognised for their work

**1 in 3**

employees **never** feel rewarded at work beyond their salary

## 02 Employers believe they are delivering meaningful reward and recognition – but employees do not feel it

There is an intent–experience gap around reward and recognition. Employers are confident their approach is delivering meaning and value, but employees do not feel it day-to-day.

**75%** vs **53%**  
Employers vs Employees

Say employees feel valued through reward and recognition.

**75%** vs **58%**  
Employers vs Employees

Say reward and recognition feels meaningful, not a formality.

### 03 Managers make or break how people experience reward and recognition

Reward lives or dies at manager level, but inconsistency undermines meaning and impact. Employees value manager recognition the most, but rarely experience it. Employers recognise this as a major challenge.

**Only 29%**

of employees say their manager recognises good work on an ongoing basis

**1 in 4**

employees say recognition depends on who your manager is

**47% & 41%**

**47%** of employees rate manager recognition as very meaningful, and **41%** as somewhat meaningful



**Employers say lack of manager consistency is a top 2 barrier to effective reward and recognition**

### 04 Peer recognition is emotionally resonant but rarely received

Employees find recognition from their colleagues deeply meaningful, but the majority never receive it.

**Only 35%**

of employees receive recognition from colleagues as well as managers

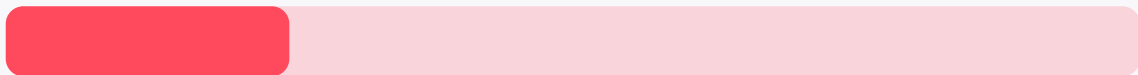
**46% & 44%**

**46%** of employees rate recognition from colleagues as very meaningful and **44%** as somewhat meaningful

## 05 Employees lack clarity around reward and feel unfairly treated

Many employees do not understand their organisation's reward and recognition structures. Confusion breeds frustration and perceptions of inconsistency and unfair treatment – and it's worse among women.

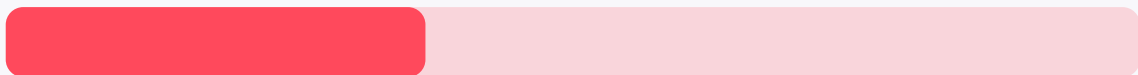
**Only 25%** of employees say reward at their organisation is structured and clearly defined



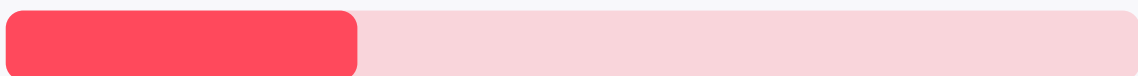
**39%** understand how reward decisions are made



**39%** believe reward is fair and consistent; **37%** for women



**39%** believe reward is distributed fairly; **31%** for women



**23%** believe rewards are based on personal relationships not contribution



## 06 Smaller organisations feel more human

Employees in smaller organisations consistently report more positive perceptions of reward and recognition, suggesting that scale brings complexity and confusion. As organisations grow, reward risks becoming more tokenistic, less meaningful and less clear.

	Small Employer	Large Employer
In the last month I have received reward or recognition for my work that made me feel valued	40%	35%
I am never rewarded for my work beyond salary	28%	38%
Reward in my organisation feels fair and consistent	43%	36%
Reward is fairly distributed in my organisation	40%	29%

## 07 Reward drives different emotional outcomes for different demographics

Gen Z workers value financial rewards more (unsurprising in today's cost-of-living crisis) but still want being rewarded to feel personal and meaningful. Older workers (**55+**) are less motivated by reward as a novelty, and value being trusted almost as much as financial rewards.

	Age 18 - 24	Age 55 - 64
Financial rewards from managers feel very meaningful	61%	41%
I am more motivated when I am financially rewarded	85%	70%
I am more motivated when recognition is combined with financial reward	84%	69%
When I receive financial reward at work, I am more motivated	55%	42%

### What motivates me at work

Financial reward

59%

Age 18 - 24

47%

Age 55 - 64

Being trusted

26%

Age 18 - 24

43%

Age 55 - 64

# Reward and recognition: Defining our terms

In this report, this is what we mean when we talk about:



## Reward and recognition:

The actions an employer takes to make employees feel valued for their work beyond their salary



## Recognition:

Non-monetary actions, such as praise and public recognition for a job well done, and verbal or written celebration of professional and personal milestones



## Reward:

Monetary recognition beyond base pay, which may include bonuses, incentives, gift cards or awards

# 01

## Emotions meet economics:

Driving value by making people feel valued



Decades of research have confirmed that the perceptions employees have of whether their organisation values their contribution and cares about their wellbeing predict performance, wellbeing and commitment. When organisations demonstrate they value people, people reciprocate. When employees feel valued and supported, they are more likely to give discretionary effort, contributing more to organisational effectiveness and performance.

According to Perkbox's Clinical Director Tracey Paxton, recognition at work is so powerful because it reinforces what matters. Neuroscience research shows that recognition triggers the release of dopamine in the mesolimbic pathway, the brain's reward circuit. "When someone's effort is acknowledged, the brain tags that behaviour as worth repeating," Paxton explains. "Over time, that shapes habits, individual performance and the culture of an organisation."

And when recognition is absent, what is lost is not just motivation. "You create ambiguity about what good looks like," says Paxton. "And that can create issues around trust." In other words, it becomes more than simply a governance issue, hitting the core of how people feel about work.

Our survey finds that employees see reward and recognition – done right – as powerful drivers of positive emotional indicators including motivation, engagement, belonging and wellbeing. Almost two-thirds (**63%**) say reward and recognition boost their confidence in their role, while **59%** say it improves their sense of belonging and **57%** their wellbeing.

Two-thirds of employees agree that rewards and recognition strengthen their loyalty to an organisation, while **56%** say they are more productive when they are recognised at work.

**63%**

say reward and recognition boost their confidence in their role

“

**"When someone's effort is acknowledged, the brain tags that behaviour as worth repeating. Over time, that shapes habits, individual performance and the culture of an organisation."**

**Tracey Paxton, Clinical Director, Perkbox**

## Employees on the value of feeling valued

**66%**

of employees agree that reward and recognition strengthen their loyalty to an organisation

**80%**

of employees feel more motivated when they are recognised for their achievements

**79%**

of employees feel more motivated when they are financially rewarded

I am more productive when I feel recognised at work

**56% agree**

I am more willing to go above and beyond when I feel recognised at work

**55% agree**

When I receive financial reward at work, I am more motivated

**51% agree**

## Employees say reward and recognition boost:



Confidence in the role

63%



Sense of belonging

59%



Wellbeing

57%



Connection to my team

56%



Workplace culture

49%



Employers also perceive a range of positive benefits, even more so than employees: three-quarters of employers say reward and recognition boost belonging, **76%** say it improves employee confidence and **73%** say it enhances workplace culture.

And when reward and recognition aren't effective, they drive negative outcomes, particularly around attrition. Almost three-quarters (**71%**) of employers believe reward and recognition support retention.

They are right, given a third (**31%**) of employees say a lack of reward and recognition at work would influence their decision to stay with or leave their employer. Almost half (**45%**) have considered leaving in the last 12 months, and of those who are thinking of jumping ship, **64%** say a lack of reward and recognition has been a contributing factor (**48% a contributing factor and 16% a major one**).

## Poor reward and recognition is a retention risk



# 31%

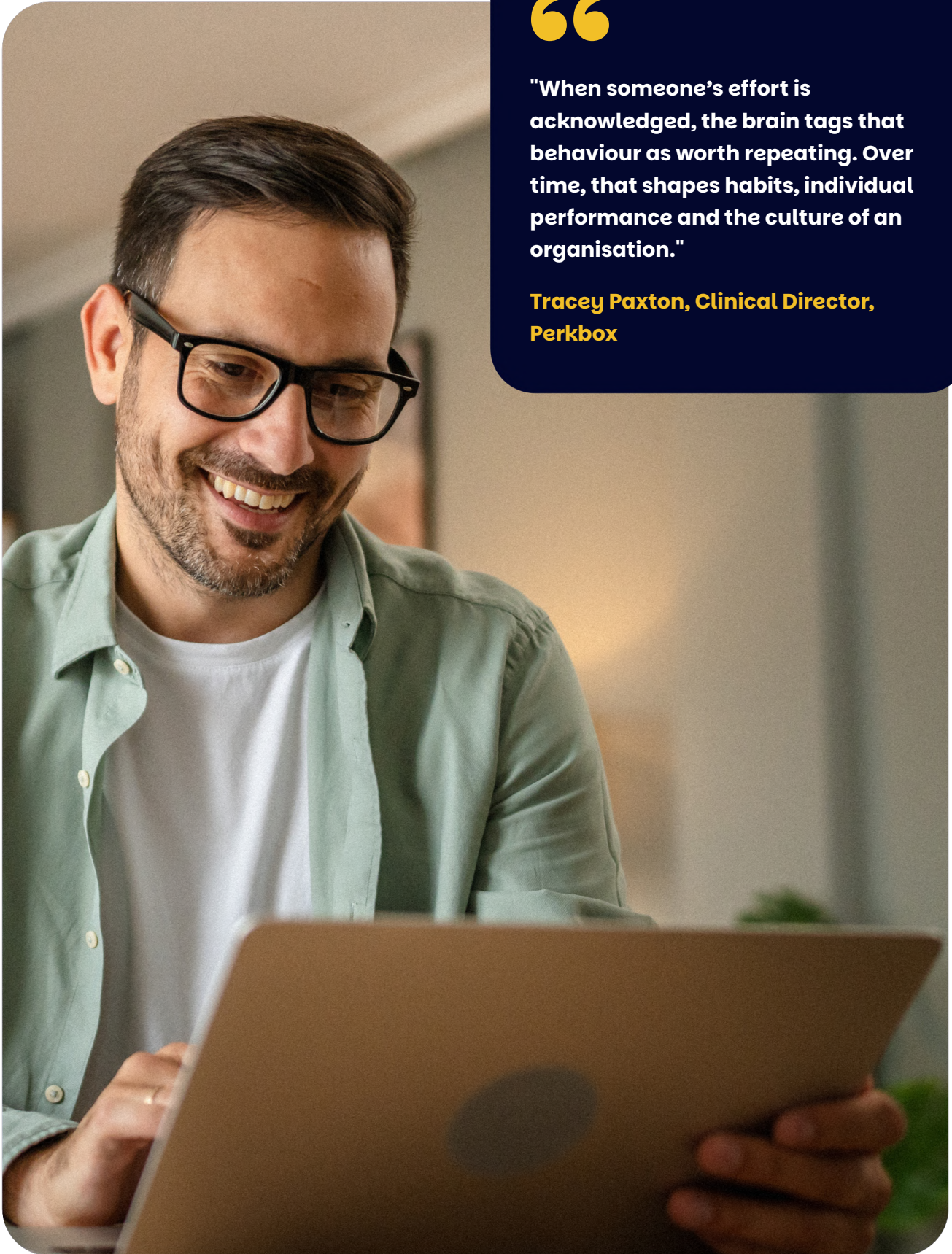
of employees say a lack of reward and recognition would influence their decision to stay with or leave their employer

# 48%

of employees who are considering leaving their employer say reward and recognition has been a contributing factor

# +16%

say it's a major factor



“

"When someone's effort is acknowledged, the brain tags that behaviour as worth repeating. Over time, that shapes habits, individual performance and the culture of an organisation."

**Tracey Paxton, Clinical Director,  
Perkbox**

# 02

## The intent experience gap:

How employees feel  
about reward



Our data finds a clear and concerning gap between employer intent and belief around reward and recognition and on-the-ground employee experience. All too often, what is designed to communicate meaningful value is landing as tokenistic, formulaic, inconsistent or unfair.

Employers have a relatively high degree of confidence about the effectiveness of their reward and recognition strategies – **34%** rate them as highly effective while **29%** say they work well but could be improved. Three-quarters (**75%**) say their employees feel valued through reward and recognition, with the same proportion believing reward and recognition feels meaningful at their organisations. Just over two-thirds (**67%**) say their employees are being recognised regularly.

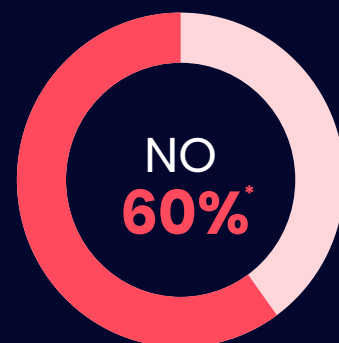
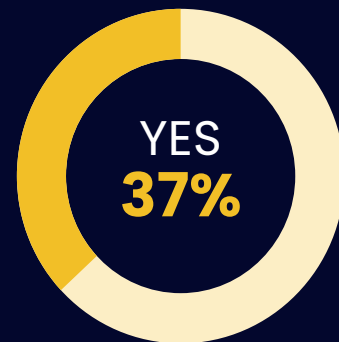
But in reality? Employers often wear rose-tinted glasses, consistently rating their reward and recognition practices as more positive than employees experience them. (See graphic for more.)

For most employees, meaningful recognition is the exception, not the norm. Only **37%** of employees have been recognised in the past month, and one in four people say they are rarely recognised for their work. Just over half of employees (**53%**) say their organisation's reward and recognition makes them feel valued, and a third say they are never rewarded beyond salary. Employers may have set their reward mechanisms, but recognition remains largely absent in lived experience.

## Recognition is largely absent in employee experience

**Q:** In the past month, have you received recognition or reward for your work that made you feel valued?

\*(Remaining proportion unsure)



**1 in 4**

employees say recognition in their organisation happens throughout the year

# Reward and recognition: HR perception meets employee reality

## How often people feel recognised for their work

Employee experience    Employer believes

More than weekly

Weekly

Monthly

Quarterly

Once a year

Rarely

Never

0%    10%    20%    30%    40%

**75%** employers

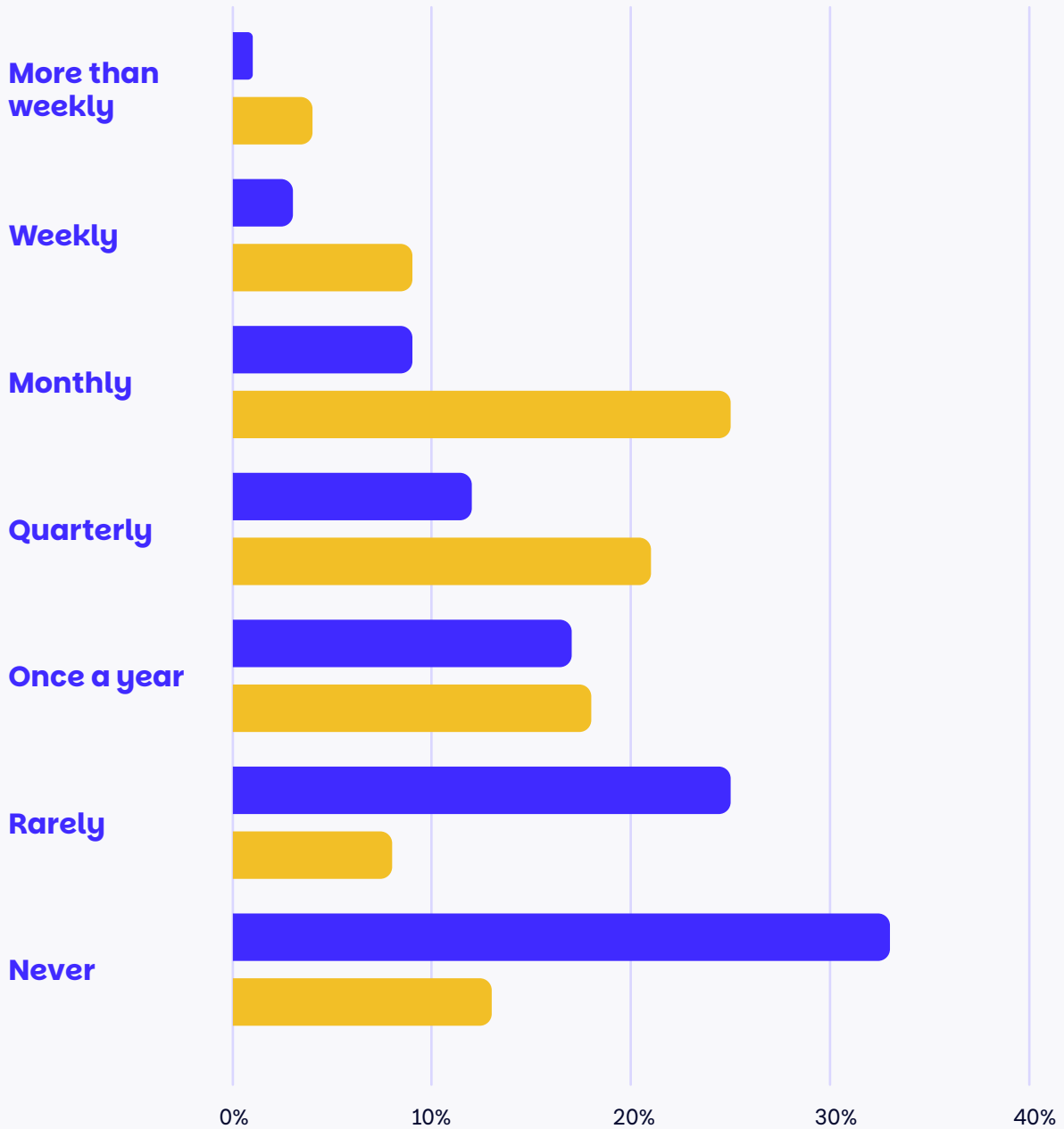
say employees feel valued through reward and recognition

**53%** employees

say their reward and recognition makes them feel valued

## How often people feel rewarded for their work beyond salary

Employee experience Employer believes



**75%** employers

say reward and recognition feels meaningful at their organisation

**58%** employees

say reward and recognition feels meaningful rather than a formality

# 03

## Managers and missed opportunities:

### Recognition in practice



When it comes to how employees experience recognition, practice is consistently patchier than employers believe. For example, while **59%** of employers say recognition is limited to formal performance reviews, **71%** of employees think this is the case, signalling that the majority of employees view recognition as a formulaic, infrequent process. And while nearly half of employers (**43%**) believe recognition is happening throughout the year at their organisation, only one in four employees report this to be the case.

Managers are a clear bottleneck in the emotional experience employees have of reward and recognition. Almost a quarter of employees (**23%**) say how they are recognised and rewarded depends on who their manager is, with only **29%** saying their manager uses recognition to acknowledge good work on an ongoing basis.

# 59%

of **employers** say recognition is limited to formal performance reviews



Employers, once again, believe things are more positive than they are: **48%** of employers believe managers use recognition to acknowledge work on an ongoing basis. But they nonetheless rate manager inconsistency as a top barrier to effective reward and recognition (rated second after budget constraints). This inconsistency is particularly concerning given managers can make or break reward and recognition strategies: manager recognition is rated as very meaningful by **47%** of employees and somewhat meaningful by a further **41%**.

“One of the biggest opportunities is helping managers understand the role they play,” says Paxton. “Recognition isn’t always intuitive, especially when someone is under pressure, as many managers are. But when managers get it right, recognition is one of the most powerful tools to shape behaviour and build trust.”

We also find that while employees find recognition from their colleagues deeply meaningful, the majority never receive it. While **46%** of employees rate recognition from colleagues as very meaningful, only **35%** say they receive it. This is a major missed opportunity, says Paxton. “Cultures are built more in peer-to-peer moments than in top-down messages,” she explains. “There’s nothing better than someone you work with saying to you: ‘you did a brilliant job there’. It feels genuine. It feels earned.”



“

**“When managers get it right, recognition is one of the most powerful tools to shape behaviour and build trust.”**

**47%**

of employees find **manager** recognition very meaningful

but only  
**29%**

receive regular recognition from their **manager**

# 46%

of employees find **colleague** recognition very meaningful

but only

# 35%

ever receive **colleague** recognition

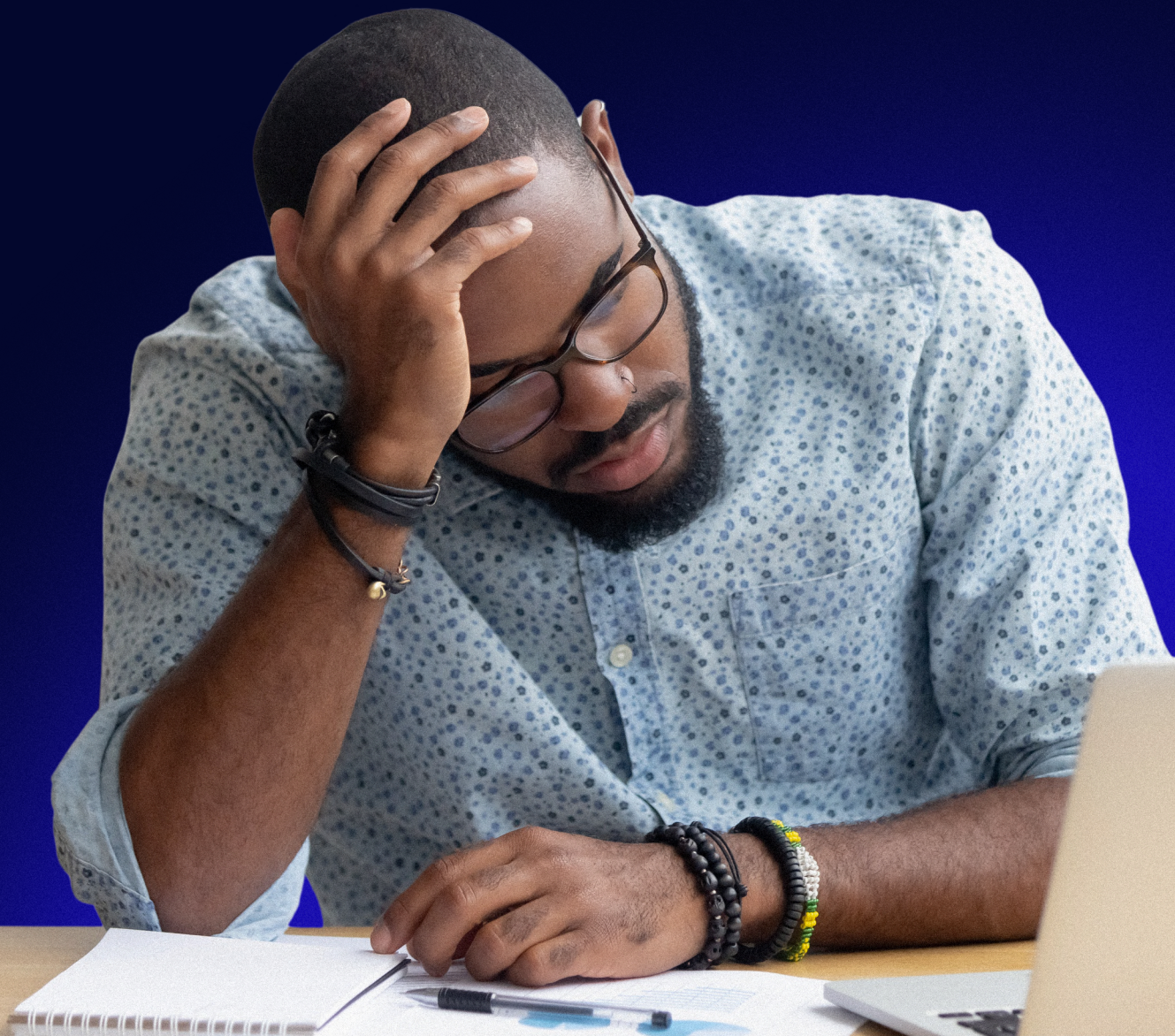


## “

"Cultures are built more in peer-to-peer moments than in top-down messages. There's nothing better than someone you work with saying: you did a brilliant job there."

04

Lack of clarity  
breeds resentment



Employers are confident that their people understand how and why reward decisions are made. Once again, this confidence is misplaced. While **64%** of employers believe their employees understand how reward decisions are made, only **39%** of employees agree. And only a quarter of employees perceive reward and recognition in their organisation to be structured and clearly defined.

Confusion around reward doesn't just frustrate employees, it makes them feel unfairly treated and breeds resentment. A third of employees believe reward in their organisation is unfair and inconsistent, and the same proportion believes reward is not distributed fairly. This feeds into almost a quarter (**23%**) believing that rewards are based on personal relationships rather than contribution.

## How employees perceive reward and recognition in their organisation

Some structure, but not consistent



Rarely happens



Structured programme, clearly defined



Mostly informal



Not sure



**64%**

of employers believe their employees understand how reward decisions are made

But only

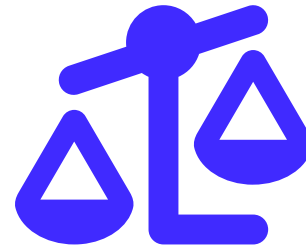
**39%**

of employees agree

That fairness gap has a troubling gender dimension: female employees are consistently less likely than their male counterparts to view their organisation's reward practices as fair, consistent or equitably distributed. The gap is not dramatic in percentage point terms, but it is persistent.

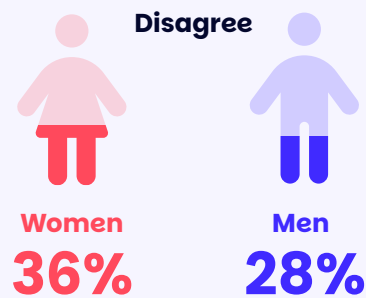
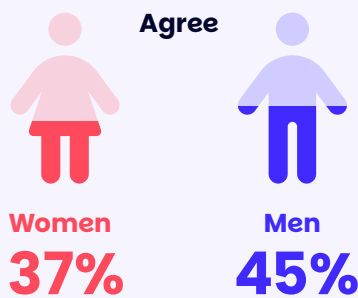
This finding echoes a broader and well-documented pattern in research. Women often feel their contributions are less visible and less valued than those of their male colleagues. Indeed, our data also shows that women are less likely than men to perceive that when someone is recognised,

it is visible to others, and are less likely to believe their manager recognises their work on an ongoing basis. When informal, unstructured or opaque reward structures dominate, these issues risk compounding, impacting equity more broadly. The basis for recognition must be visible, consistent and not dependent on who you know.

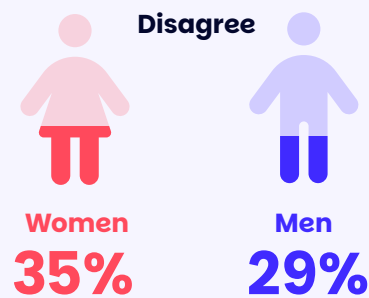
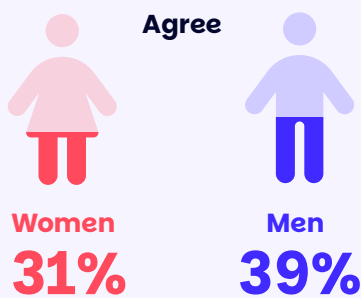


**Many employees – particularly women – believe reward at their organisation is unfair and inconsistent**

**Reward in my organisation feels fair and consistent**



**Reward is distributed fairly in my organisation**

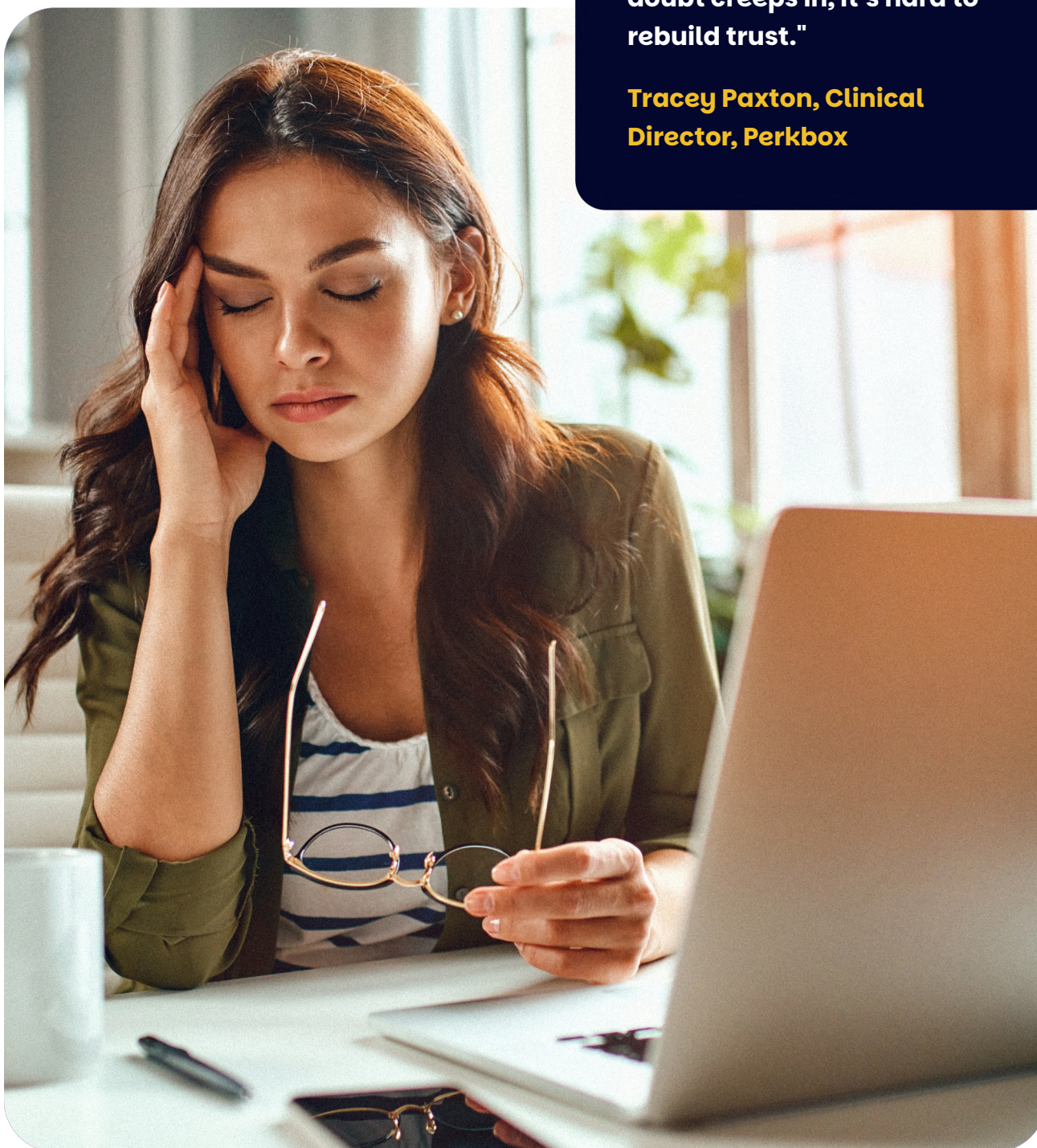


Employers should pay close attention to this finding, Paxton warns. It could have serious implications for trust as much as policy. "This is not a tick-box governance issue," she says. "If employees don't understand how decisions are made, they are going to feel it is inconsistent. It quickly becomes emotional. Doubts about contribution creep in – and once doubt creeps in, it's hard to rebuild trust."

“

**"If employees don't understand how decisions are made, they are going to feel it is inconsistent... Once doubt creeps in, it's hard to rebuild trust."**

**Tracey Paxton, Clinical Director, Perkbox**



# Scale breeds complexity

A consistent trend across our data is that employees in smaller organisations – those with 50 - 249 employees – report feeling more positive about their employers' reward and recognition approach, particularly when compared to employees in larger organisations (more than 1,000 people).

Those in smaller organisations are more likely to have received reward or recognition for their work that made them feel valued in the last month. Those in larger organisations are significantly less likely to agree that reward is distributed fairly. This suggests that with scale comes complexity and confusion.

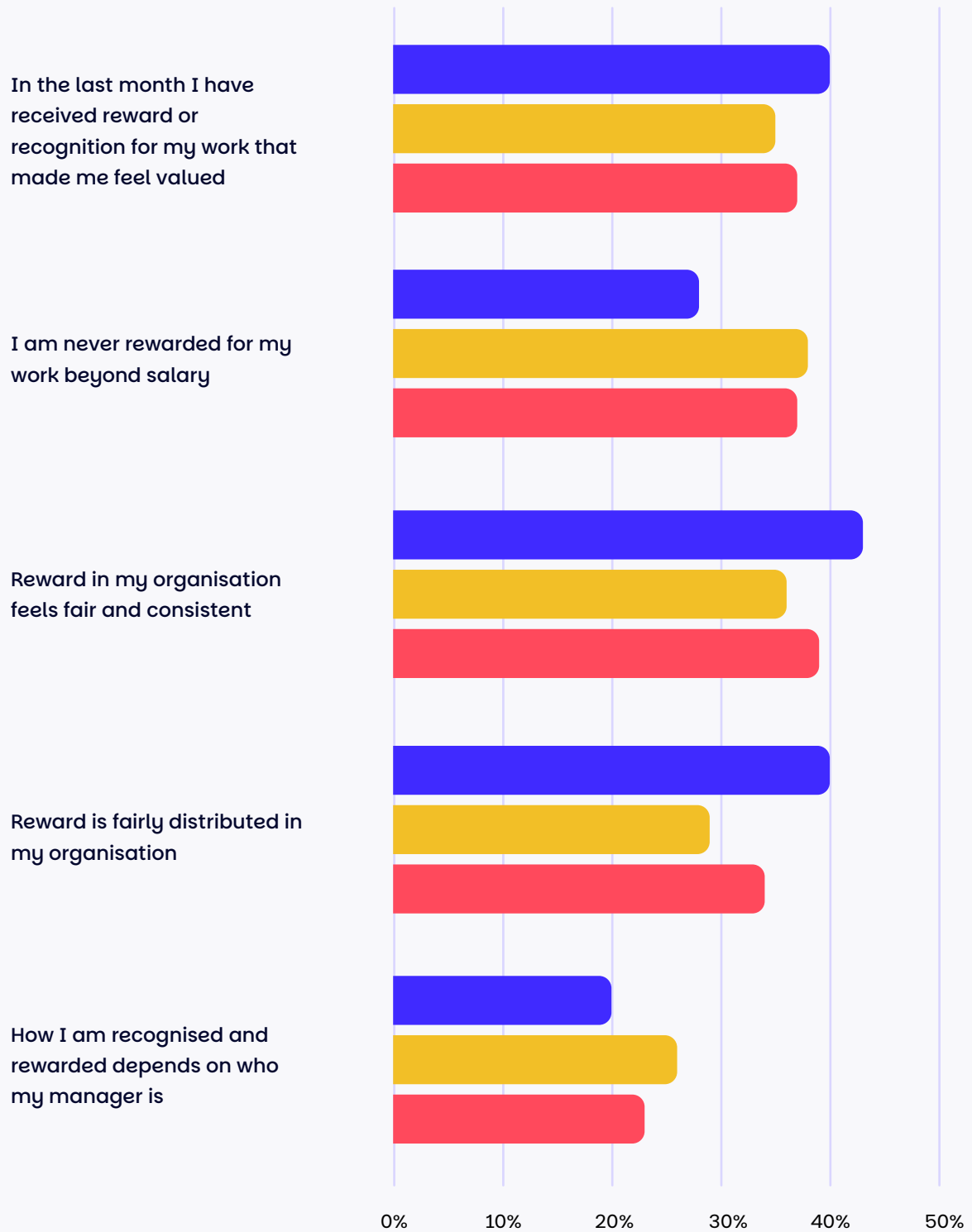
As organisations grow, reward risks becoming more tokenistic, less meaningful and less clear. Larger organisations invariably rely more on process, meaning personalisation and human connection can be squeezed out. "As an organisation grows, rewards can become more structured," says Paxton. "The danger is it becomes more distant, more symbolic and more formulaic."

In large organisations, reward and recognition also becomes more dependent on the consistent application of policy by managers, which is often where things break down. Those in large organisations are more likely to agree that how they are recognised and rewarded depends on who their manager is. "Educating managers becomes critical," Paxton advises. Maintaining meaningful human connection around reward and recognition at scale isn't easy, but nor is it insurmountable – as we will explore later.



## Small organisations feel more human

■ Small employer (50-249) ■ Large employer (1000+) ■ Average



# 05

**What good  
looks like:**

**Building meaningful  
reward and recognition**



Having established the issues facing organisations when it comes to building meaningful reward and recognition, let's now explore what good looks like.

Our research finds that employees value both financial reward and non-financial recognition highly, and that the biggest impact comes when the two work in tandem. The majority of employers **(84%)** believe that recognition and financial reward are most effective when used together, and **78%** of employees say they are more motivated when recognition is combined with financial rewards. But for those organisations struggling with limited budget and resources, it will be welcome news that **72%** of employees say verbal or written recognition alone increases their motivation.

It's how reward and recognition lands and makes an emotional impact that matters, says Paxton. "You don't need huge budgets to make reward effective," she says. "Frequency and authenticity matter far more than the value. A strategy which is well timed and meaningful will always outperform something bigger but impersonal."



**78%**

of employees say they are more motivated when recognition is combined with financial rewards



**72%**

of employees say verbal or written recognition increases their motivation

“

**"You don't need huge budgets to make rewards effective. Frequency and authenticity matter far more than the value."**

**Tracey Paxton, Clinical Director, Perkbox**

# Employers believe that recognition and reward **together...**



**88%**

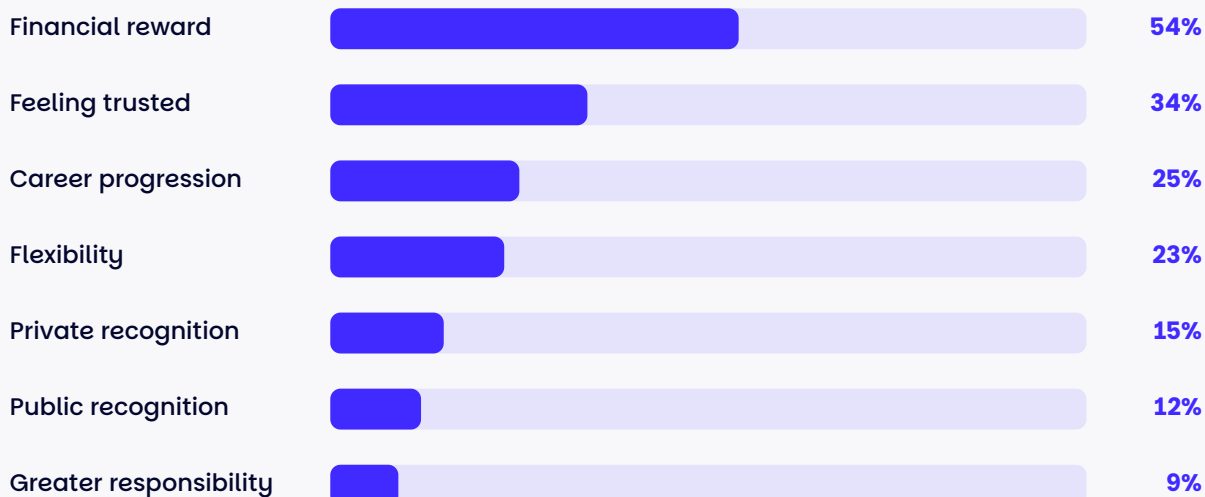
**Increase  
motivation**



**85%**

**Strengthen  
employee loyalty**

## What motivates employees most at work



And while financial reward comes out on top for what motivates employees at work, feeling trusted, career progression and flexibility are also valued by employees.

Our data finds that reward and recognition does not land the same way across generations. As with most areas of people practice, a one-size-fits-all approach won't cut it. "It's the same reward system, but the emotional outcomes are different depending on where you are in your career," says Paxton.

For younger workers, the financial dimension of reward is paramount. In the context of a prolonged cost-of-living crisis, this is hardly surprising: **59% of 18-24** year olds cite financial reward as their primary motivator at work, and **85%** say they are more motivated when they are financially rewarded.

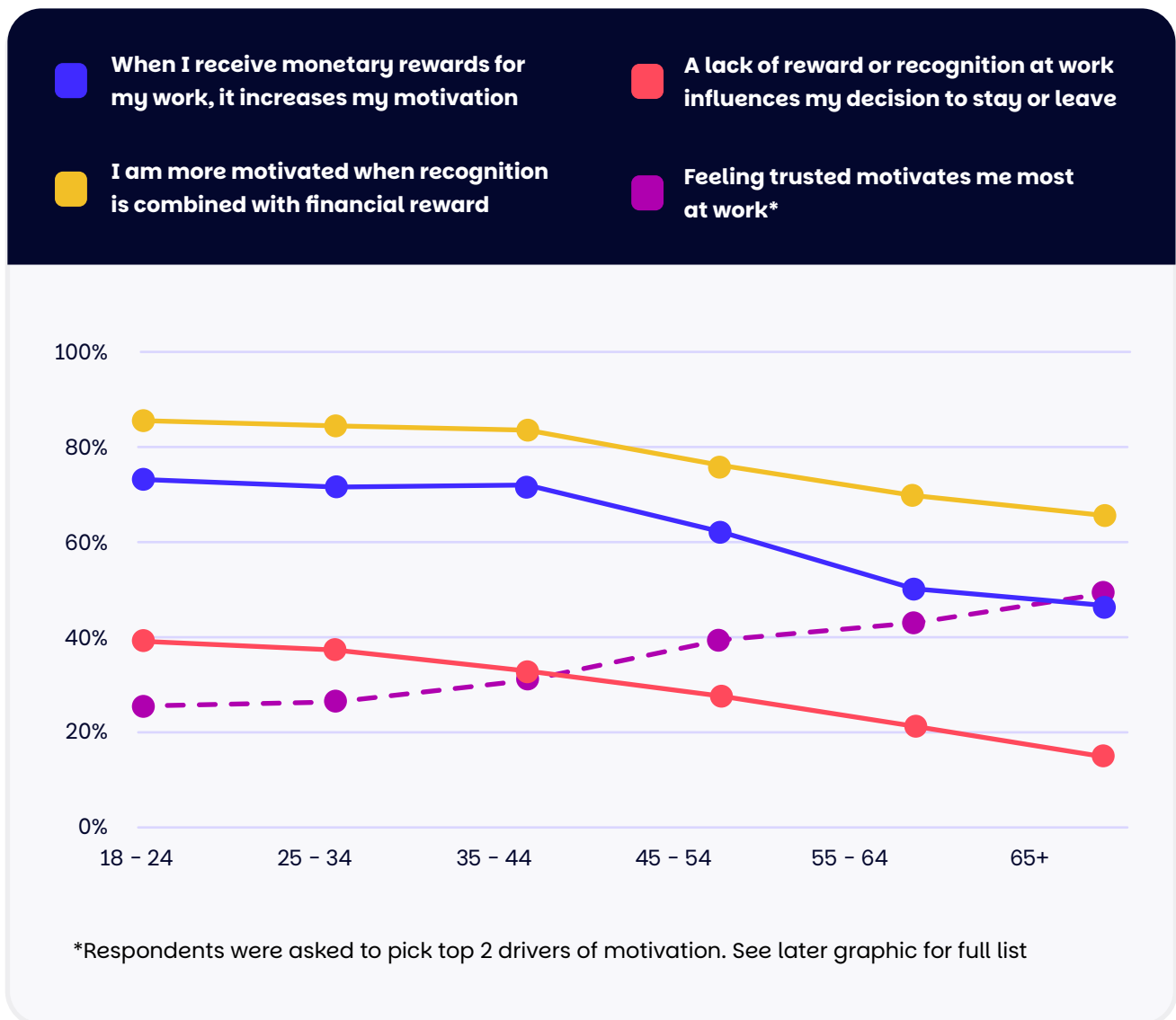
**Gen Z aren't purely transactional. They want both money and meaning**



But Gen Z are not purely transactional. They want both financial reward and meaningful recognition: **84%** of 18-24 year olds say they are more motivated when recognition is combined with financial reward. Over three-quarters (**78%**) of this group say when they receive verbal or written recognition for my work, it increases their motivation, and they value manager recognition more highly too (**55%** rate it as very meaningful, compared to **39%** of 55-64 year-olds). Even when money is a priority, the emotional experience of being valued still matters. And this should matter to employers, given younger demographics are significantly more likely to see a lack of reward or recognition as influencing their decision to stay with or leave the organisation.

For those employees aged 55 and over, financial rewards are a less critical factor. While **72%** of those aged 18-24 say receiving monetary reward increases their motivation, only **50%** of those aged 55-64 agree. Notably, for this demographic, being trusted emerges as almost as important a motivator as money. For those later in their careers, reward appears to be less about novelty, more about feeling valued and respected for the expertise they bring. Different demographics want and need different things, and the most effective reward strategies are designed with that in mind.

## Different demographics need different things from reward



Beyond age demographics, meaningful recognition will look different for everyone. But we find overarching themes of what good looks like: authentic, recognises contribution and personal. Employees know what meaningful recognition looks and feels like, and what would make it fall flat. They are looking for genuine appreciation, being recognised for their effort and achievement, and for a personalised, tailored approach. And they are wary of box-ticking exercises, recognition that feels generic or that isn't tied to their unique effort and contribution.

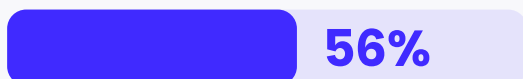


### What makes reward and recognition feel meaningful

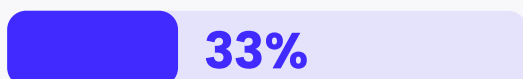
It makes me feel genuinely appreciated



It recognises effort or achievement



It feels personalised to me



It feels proportionate to the effort involved



It has practical value in my day-to-day life



### What makes it feel ineffective

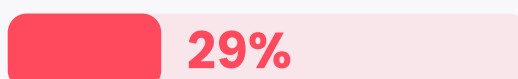
It feels like a box-ticking exercise rather than genuine recognition



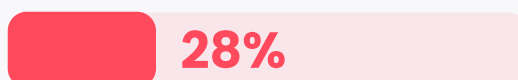
It feels generic or impersonal



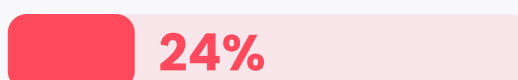
It does not reflect the effort involved



It feels inconsistent with what others receive



The value feels too small to matter



# 06

## Building value and meaning:

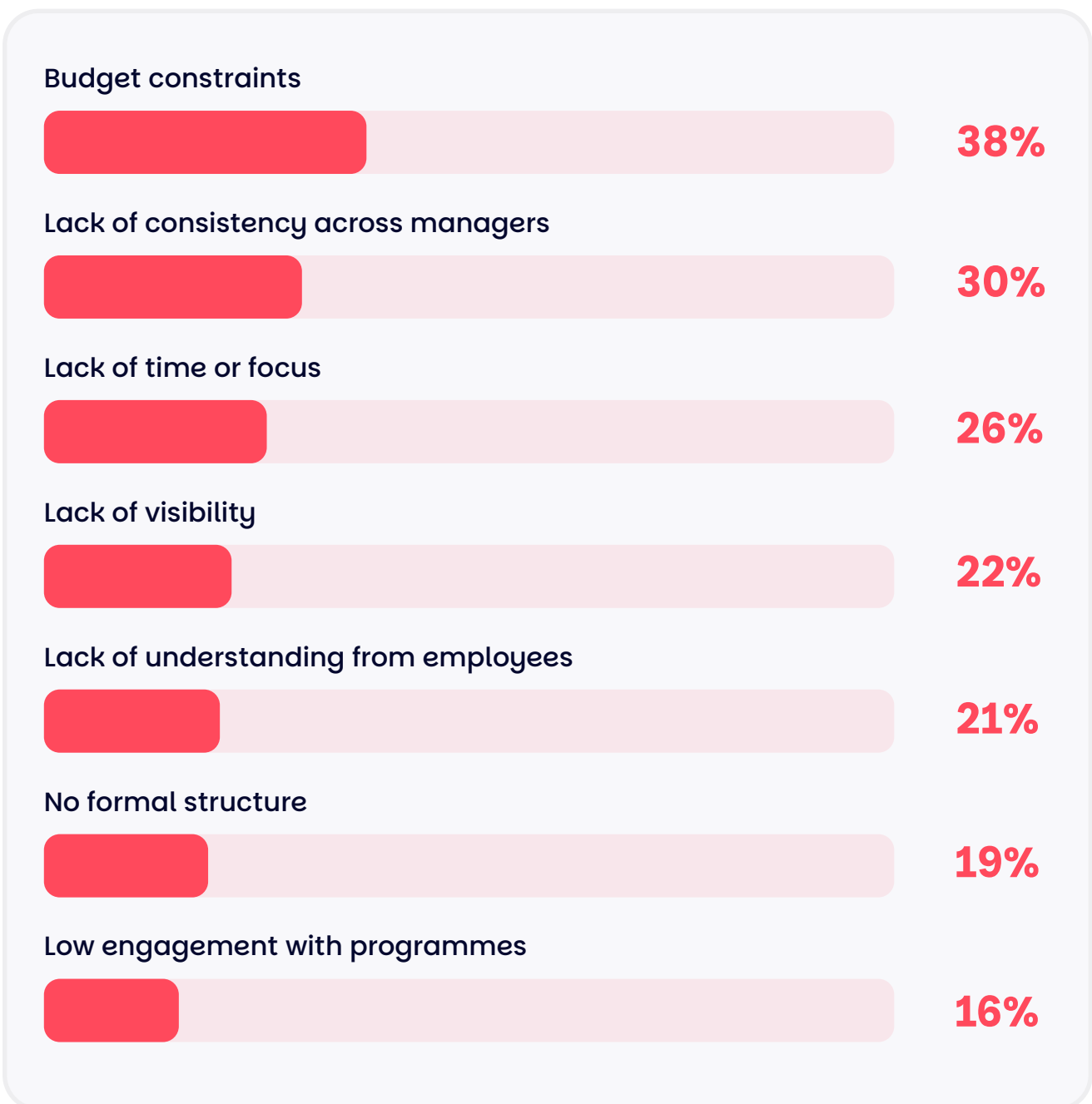
### Recommendations for practice



When asked their top barriers to effective reward and recognition, employers primarily cited budget constraints, lack of consistency across managers and lack of time or focus. So, with those barriers in mind, here are eight recommendations on where to focus when it comes to building greater value and meaning through your reward and recognition strategies.



## Employers' **top barriers** to effective reward and recognition in their organisation



## 1. Improve manager capability around reward and recognition

Managers have an outsize influence on people's experience of work, including how they feel about reward and recognition. Despite manager recognition being the most highly valued type of recognition, only 29% of employees receive it regularly. Managers should be trained to understand not just the processes around reward and recognition, but the psychological role they play in applying it. Recognition should become a standing agenda item in team meetings. And given that 23% of employees say how they are recognised depends on who their manager is, consistency matters as much as capability.



## 2. Align financial reward and non-financial recognition

Our data shows the majority of employees want both financial and non-financial reward and recognition. Financial rewards like bonuses and pay increases are powerful, but they are infrequent, and many organisations are struggling with limited budgets. Non-financial recognition such as praise, development and visibility, can be delivered more regularly and costs nothing, as can custom rewards like 'passes' that allow employees to leave early or start late. The two should be aligned and consistent, linked to company values and desired behaviours.



## 3. Design strategies to enable flexibility and choice

With our data finding clear differences in how different demographics perceive and experience reward and recognition, reward and recognition strategies should be designed around that. Flexibility and personalisation are not optional, but key to ensuring reward and recognition does not alienate anyone. Consider whether your current approach serves the financial priorities of younger workers, as well as the ask for visibility and respect that matters to older ones. Collect your own data to inform design.



## 4. Ensure recognition feels personal and earned

The message recognition sends matters as much as the mechanism. Employees want personalised recognition that signals that their employer understands and appreciates their unique contribution. Be sure that recognition is clearly linked to contribution, both the what (work outputs) and the how (behaviours).



## 5. Clearly communicate how reward decisions are made

Ambiguity around how reward decisions are made risks eroding trust and breeding frustration. If people don't understand how decisions are made, they fill in the gaps – and their explanation is rarely positive. Improving communication around reward and recognition, clearly communicating how decisions are made, helps people see the link between actions, behaviours and rewards. It provides clarity over the desired behaviours and values that matter most to an organisation. This is especially important in larger organisations and for addressing the gender gap.



## 6. Ensure reward and recognition is fair and consistent

Perceptions of unfairness can be corrosive to reward and recognition strategy, but our survey finds they are widespread, particularly in larger organisations and among female employees. And once that perception takes hold, it can be hard to shift. The basis for reward and recognition must be visible and explicit, with clear criteria, consistently applied and disconnected from relationships.



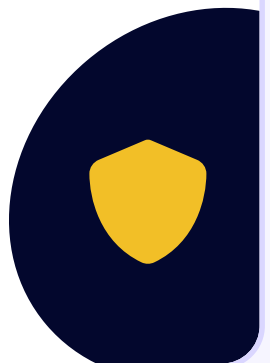
## 7. Enable and encourage peer recognition

While 46% of people find peer recognition very meaningful, only 35% receive it. Scale and organisational hierarchies can make peer recognition tough to achieve organically, so build a mechanism to easily enable it, such as via a digital platform. Actively encourage and even reward peer recognition, for example via celebrating it publicly, to build a culture where it happens naturally.



## 8. Focus on frequency and authenticity over budget

Budget may be an issue for many HR teams, but the good news is that frequency and authenticity matter more. Well-timed meaningful recognition will outperform big but impersonal gestures, serving to communicate value in a genuine and meaningful way. Frequent and authentic recognition strengthens emotional connection to the organisation, signalling that the organisation values individuals as much as their outputs.



**07**

**Conclusion:**

**From mechanics  
to meaning**



This paper started with an assertion that reward and recognition can do more than drive performance, motivation and retention – as essential as those things are. Done right, reward and recognition goes deeper, tapping into what makes people feel valued at work. When that emotional connection is made, people drive more value for organisations, and feel better about doing it.

Our survey data finds however that while most organisations have the mechanics in place, the meaning is missing. Employers are investing in reward and recognition that is all-too-often falling short, and employees aren't feeling the value or impact intended. Outdated frameworks and tick-box programmes are failing to translate into day-to-day employee experience.

Grounding reward and recognition in emotion as much as economics is the foundation of making people feel genuinely valued. Because as Tracey Paxton puts it, reward and recognition is more than a process: it's a signal of what matters to an organisation. And in today's climate, getting the frequency and wavelength of that signal right matters more than ever.



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**"Reward and recognition is more than a process: it's a signal of what matters to an organisation."**

## Case study: Recognition boosts belonging at AX



At AX, a credit repair facilitator providing motorists with accident assistance and after-care services, the mantra is: 'A thank you goes a long way.' It may sound simple, but it has proved to be effective in creating a positive and appreciative workplace culture.

"Saying 'thank you' and it being visible to other people is powerful," says Communications and Engagement Manager Caroline Hope. "Being recognised for a job well done makes people feel valued." Over the past four years, the company's reward and recognition scheme has evolved from an outdated and time-consuming paper-based system to Perkbox's slick online platform.

In 2025, AX's 500 colleagues gave more than 1,400 Thank Yous to each other, an increase of **48%** year-on-year. And entries into the annual colleague recognition awards increased from **220** nominations and votes in 2022 to **324** in 2025, with a participation rate of **67.5%**.

While recognition alone is motivating, AX combines it with financial reward: employees are given **£25** for every 12 Thank Yous they receive. All rewards are linked to company values, ensuring they drive desired behaviours.

**1,400+**

thank yous given between colleagues in 2025

**+48%**

year-on-year growth in peer recognition

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**"We align these initiatives with a financial reward because we appreciate people taking the time to get involved. That's what creates the culture: people talk about reward and recognition and that's what makes AX a great place to work. It all adds up"**

**Caroline Hope, Engagement Manager, AX**

“It’s about how we can make our recognition a bit more fun,” says Hope, citing engaging events like colouring competitions and walking challenges. “We align these initiatives with a financial reward because we appreciate people taking the time to get involved. That’s what creates the culture: people talk about reward and recognition and that’s what makes AX a great place to work. It all adds up.”

There has been learning along the way, for example the importance of educating managers about reward and recognition. “It’s educating them to be mindful of what they are doing, being consistent and taking in the bigger picture,” says Hope. And leaders are encouraged to communicate and lead by example, using the platform to recognise staff publicly. As Hope says: “You change culture by leading and posting: it’s about visibility, usage and appreciation.”

Having a mechanism for public recognition has also helped increase cohesion across a dispersed workforce. “It’s a way for us to remain connected and breaks down perceptions that only office-based staff get recognised,” says Hope. “The key word is belonging: you’re part of a bigger picture.”

# +67.5%

participation rate in colleague recognition awards





## Learn more at [Perkbox.com](https://Perkbox.com)

Scan the QR code or visit our website to explore our reward & recognition platform.

The survey referred to in this paper was conducted by OnePoll in April 2026.  
This paper was authored by HR and business journalist Katie Jacobs.