

# What's In and What's Out: The Latest Perks Offered by Technology Companies

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*We share the top perks offered by technology and life sciences companies based on our recent perquisites survey as well as what cutting-edge perks are gaining in popularity.*

Perks are an important component in a total rewards package, particularly within the technology sector that has curated a unique culture punctuated by innovative benefits offerings. The competitive labor market among technology companies has forced organizations to think about their employee value proposition in ways they haven't before. Companies that have a cohesive strategy to differentiate their workplace culture are able to maximize the value of their investment in people.

With that backdrop in mind, Radford undertook its first comprehensive perquisites survey in the fall of 2016 to benchmark the latest benefits offerings and how they are valued and paid for among the business's technology and life sciences clients. The technology sector, in particular, has been a leader in offering innovative perks with many of these benefits later adopted by companies in other industries. Furthermore, evaluating the status of perks among traditional technology companies can provide valuable insights for many other companies outside of the tech sector as they begin to hire the skilled talent they need, such as software engineers for digital growth strategies.

Radford's study divided perks into the following categories: recognition/gifts/concierge; financial; community impact; social/food; wellness/family care; flexibility; personal services; health/fitness; and career development/advancement. Respondents included 395 United States-based technology and life sciences companies representing a wide range of sizes and locations. The first edition of the perks survey is a supplement to the [Radford US Benefits Survey](#), which covers health, retirement, paid time off and other popular benefits.

The table below outlines the 10 most popular perks in the surveyed technology and life sciences companies. All but one of the top 10 perks are the same in both sectors (online marketplace discounts is prominent only in tech).

Technology Companies			Life Sciences Companies		
Perquisites	Percent of Companies	N-count	Perquisites	Percent of Companies	N-count
Flexible dress code	96%	256	Flexible dress code	89%	112
Flexible working hours	82%	219	Professional association membership	85%	107
Snacks/drinks	81%	216	Snacks/drinks	81%	102
Work from home/telecommuting	81%	216	Flexible working hours	78%	98
Company-sponsored social/entertainment events	75%	200	Company-sponsored social/entertainment events	73%	92
Online classes/eLearning tools	75%	200	Work from home/telecommuting	67%	84
Years of service awards/recognition	70%	187	On-site coffee bar/lounge area	61%	77
Professional association membership	69%	184	Years of service awards/recognition	56%	71
On-site coffee bar/lounge area	68%	182	Online classes/eLearning tools	54%	68
Online discounts/marketplace	65%	174	On-site gym/fitness facility	50%	63

Source: Radford 2016 US Perquisites Practices Survey

Overall, the prevalence of all perks is consistently higher among tech companies. There is widespread popularity for some better-known perks among technology companies, such as on-site gaming or recreation areas. In the Radford survey, 59% of technology and 17% of life sciences companies have gaming centers in their workplace. Gaming centers are more than just hip offerings — they resonate with employees. Eighty-three percent of companies with them say they are a “key to company culture” or “valued and appreciated.” They are clearly more common among tech businesses. Other social/entertainment and free food offerings are as popular among the life sciences companies surveyed as with technology companies— ranging from one-third of companies that offer daily food and meals on the less-frequent end to more than 80% of companies offering free snacks and drinks. This suggests that many social and food benefits are no longer the cutting-edge perks in the tech sector that they once were; they are now more mainstream.

## Time Off Benefits

Around one-quarter of responding tech companies offer unlimited paid time off (PTO) and another 9% are thinking of adding this perk. Unlimited PTO was nearly unheard of a decade ago but has since gained popularity, particularly among technology companies. Among those companies offering unlimited PTO, 62% say it is “key to company culture” and 31% responded the perk is “valued” or “highly valued and appreciated.” Only 7% say it has “limited appeal.” There are potential pitfalls, such as employees feeling they can’t take a vacation. On the plus side, unlimited time off is likely tied to progressive or trusting culture and reduces liabilities from accrued but

unused time off. Meanwhile, family benefits may not be as frequently offered as some commonly held perceptions of technology sector perquisites suggest. Only 40% offer extended maternity leave and 39% offer extended paternity leave. However, about 10% of companies are thinking of adding extended family-leave benefits.

## Payment Costs

While employers will cover the full cost of many types of perks, there are some benefits where the cost is shared and even some where the employee pays the full expense while the company provides the platform for the exchange of a good or service. The survey examined the payment method for each perk. In doing so, it uncovered some notable differences in the way certain perks are financed. Of companies providing an apparel store or marketplace for logo-promoting merchandise, half of the companies have employees pay full cost of their purchases, while 25% of companies are subsidizing this offering and 25% offer some items for free. Public transit is another perk where companies are divided about how they are funding their programs: 18% of companies “pay the full cost” of employees’ public transit, 61% “subsidize or pay to a limit,” while 21% of respondents have the “employees fully pay” the cost (e.g., the perk offered in these cases are tax-free transit passes).

As one would imagine, in many cases the amount the company pays toward a perk is directly correlated to how highly the perk is valued by employees. In the case of student loan repayment assistance, the company is paying the full cost of the service when that perk is valued, appreciated or a key to corporate culture. (Note: this does not mean the company is paying the employees’ remaining student loan debt. It does mean the company is fully covering the cost of the perk it is offering, whether it be negotiating with a vendor to refinance loans at a lower interest rate or providing a stipend toward paying down loan balances.)

## Emerging Perks and the Future

We identified several perks in the survey that we consider emerging because they are either moving from obscurity into the mainstream or they are still rare but highly valued by employees and some cutting-edge companies are beginning to offer them. Overall, we expect the following perks to become more popular in the marketplace and gain traction among general industry companies during the next several years:

- **Total rewards statements:** At one time, total rewards statements were novel tools to help employees understand the total cost of their employment. Now that records can be accessed more easily online, these statements are easier to produce and more valuable because of real-time accuracy. These statements are a good investment, especially for companies that make sizable contributions to health and retirement benefits.
- **Peer-to-peer recognition awards:** This type of recognition is highly valued, fosters a sense of team spirit and promotes transparency. As a bonus, these programs are usually a low expense for employers. They can take the form of a thank you note, a certificate, or gift cards or other small monetary gifts.
- **Student loan repayment services:** With recent graduates carrying significant student loan debt, repayment services — whether it be assistance with paying down debt or refinancing at a lower interest rate — are highly valued by employees.

- **Company-promoted charity days:** A high percentage of respondents said this type of program is key to company culture because they often link to company-stated values and foster team-building opportunities for employees. Typically, employees will spend part of all of a workday with their colleagues volunteering for a cause that relates to the company's mission or benefits the community.

The nature of company-provided perquisites is fluid. What was popular for one generation may not resonate with the next. Benefits such as flexible working hours, telecommuting and unlimited PTO were once cutting-edge and provided by only a handful of iconic Silicon Valley businesses. Now they are widespread and not just within the technology sector. The perks discussed earlier may be considered part of the new wave of benefits that will eventually become commonplace. Furthermore, we observe new perks are catching on more quickly than in the past. The competitive labor market, particularly in the technology sector, has caused companies to look for different ways to attract talent, especially if they don't have the budget to offer higher base salaries or equity incentives. Perks are also seen as a way to define a company's culture.

While looking outward is a valuable strategy to ensure an equitable and competitive compensation program, perks is a segment of total rewards where company demographics, industry and culture will likely dominate both the appreciation for, and return on investment on, benefits offerings each company should design. Best fit beats best practice when it comes to perquisites.

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To learn more about participating in a Radford survey or to purchase a copy of the Radford 2016 US Perquisites Practices Survey, please write to [sales@radford.com](mailto:sales@radford.com). To speak with a member of our compensation consulting group, please write to [consulting@radford.com](mailto:consulting@radford.com).

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