

As businesses across a variety of industries anticipate a successful holiday season, the time is ripe to offer holiday bonuses to employees, when possible.

—Nicole Smartt, vice president, Star Staffing

Year-end bonuses can bring definite benefits, agrees business coach [Becky A Davis](#). "Holiday bonuses are a great way to share how much you value your employees and their contributions to the company metrics," Davis says. "Bonuses give you a means to help the team to hit company targets and increase morale. When you've worked hard and [met] goals, it feels great to be rewarded."

Holiday bonuses can also come at an ideal time of year when employees have giving at the top of their minds, adds Colin Duetta, CEO and co-founder of [xocial](#), an online community that connects people and organizations with causes they care about and gives them a platform for taking action. "Recognition is a great way to keep employees engaged, and recognition that comes from the top is the most memorable."

The Drawbacks of Holiday Bonuses

But offering bonuses to employees can have **drawbacks as well**. One of the biggest ones is cost. Even if you are doling out modest bonuses, they can add up quickly. Jealousy and resentment can also sprout up between employees if the bonus amounts vary.

"Bonuses can also create expectations of future holiday bonuses, which may or may not be possible."

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