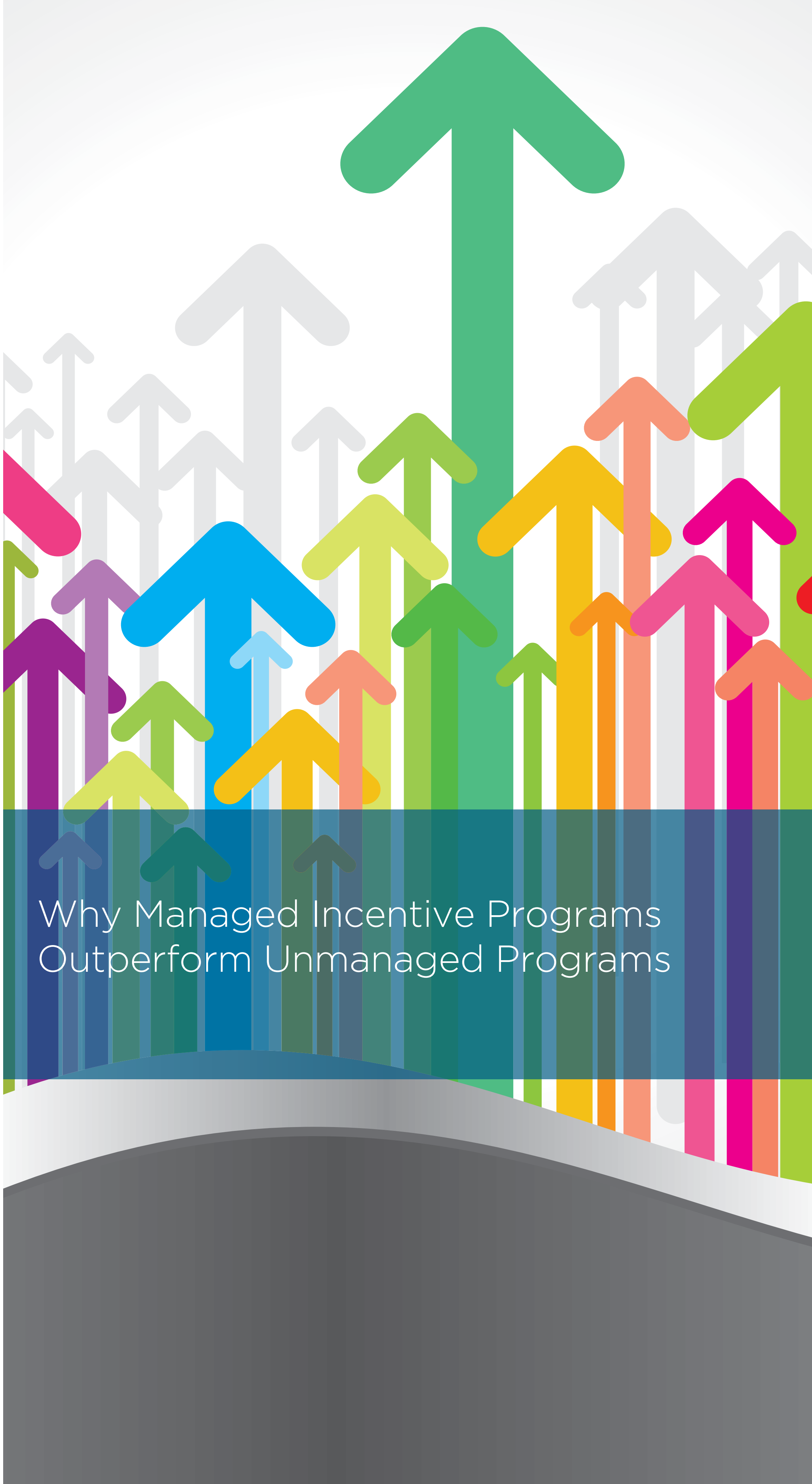

Why Managed Incentive Programs Outperform Unmanaged Programs

GC incentives
A Division of GiftCertificates.com

Research continues to show that maintaining a well-rewarded workforce leads to improved company performance. Countless studies have examined the crucial role that incentives play in motivating employees and inspiring them not only to achieve, but to surpass company performance goals. One team of researchers (Condly, Clark, and Stolovitch) analyzed 600 of these studies and uncovered some remarkable findings. Companies with incentive programs enjoy a 22 percent increase in employee performance on average. Companies using team incentive programs experience larger performance gains (48 percent) compared to those using individually-focused programs (19 percent). The researchers also found that long-term (more than six months) incentive programs brought employee performance up by 44 percent on average.[1] Additionally, employee incentive programs not only led to a higher quantity of work, but improved the quality of work as well.[2]

"Companies with incentive programs enjoy a ***22 percent*** *increase in employee performance on average"*

One major caveat can be found in virtually all the research and literature on employee incentive programs — they must be "good" programs to experience these significant increases in performance. But what makes a rewards program good? It must be appropriately designed, successfully implemented, diligently managed, and effectively communicated.[3] Considering the financial resources invested in an incentive program, ensuring that companies see significant benefits becomes even more important.

Unfortunately, not all companies have the time, manpower, or expertise to put a highly successful incentive program in place. Incentive service companies are uniquely positioned to help businesses tap their employees' potential. Using their professional expertise, incentive service companies can partner with a firm to[4]:

- Ensure that an incentive program fits into the company's overall business strategy
- Help formulate clear program goals
- Formulate the right rewards mix
- Effectively communicate the rewards to employees
- Measure program effectiveness

Numerous case studies show the substantial payoff that companies experience when they either design rewards programs in tandem with, or entirely outsource rewards program management to, incentive service companies. Scotiabank, a bank with over 1,000 branches and 33,000 employees in Canada, found that its recognition and rewards programs were not working. In the 1990s, the bank decided that its strategy would be to differentiate itself as a leader in customer service. Despite its ambitions, it continually trailed its competitors in this area. Scotiabank saw that a decentralized, confusing, and ill-designed employee incentive program did not promote the employee behaviors needed to improve the customer service experience. The bank turned to an outside source to help redesign its employee recognition and rewards program. It subsequently launched the "Scotia Applause" program, which focused on recognizing and rewarding the bank's top employees and improving customer relationships. The Applause program's design furthered the bank's business objectives, as it directly rewarded employees for providing better customer service.

"The researchers also found that long-term (more than six months) incentive programs brought employee performance up by ***44 percent*** *on average."*

In a 2006 customer service survey of Canadian banks, Scotiabank ranked first in six out of 11 categories, and in 2005, 2006, and 2007, the bank earned a spot on the "Canada's Top 50 Employers" list.[5]

1 Clark, R., Condly, S., and Stolovitch, H. "The Effects of Incentives on Workplace Performance: A Meta-analytic Review of Research Studies." Performance Improvement Quarterly, 46:3, 2003, pp. 51-55. http://snowfly.com/pdf/Vol16_03_46condly.pdf
2 Clark, R., Condly, S., and Stolovitch, H. "Incentives, Motivation, and Workplace Performance: Research & Best Practices." The International Society for Performance Improvement, 2002, p. 10. http://www.hsa-lps.com/Articles/IncentiveReportExecSummary.pdf
3 "Finding the Right Incentive Company and Programs that Work." HR Management, 2008. http://www.hrmreport.com/article/Finding-the-Right-Incentive-Company-and-Programs-that-Work/
4 Ibid.
5 "Scotiabank: Realigning Employee Recognition to Business Strategy Reaps Measurable Rewards." Recognition Professionals International, 2007, pp. 1-7. http://www.smartprcommunications.com/les/RPI_-_White_Paper_-_ScotiaBank.pdf

Delta Airlines also suffered as a result of maintaining a fragmented and decentralized set of rewards programs that did not align with the company's business objectives. The airline outsourced its incentive competencies to a centralized program provider. The incentive company provides program tracking services for Delta's multiple employee rewards programs, and the airline has seen substantial returns from its investment: the company documented more than $56.4 million in returns in 2007, and its online platform "My Delta Rewards" boasted an active participation rate of 70 percent the same year. The partnership allows Delta to give more focus to its core business operations, while the incentive services company manages its recognition and rewards programs.[6]

Speaking on the importance of well-designed incentives programs, Allan Schweyer says that rewards "must be thoughtfully selected and carefully presented if they are to drive returns to the organization greater than their face value."[7] Partnering with a professional incentive company is one of the best steps a business can take to ensure that it is implementing a well-designed recognition and rewards program that makes such greater-than-face-value returns possible.

Choice is a Powerful Motivator

We know everyone likes choices. At GC Incentives™, our approach to incentives and rewards is defined by creating a memorable experience. Our products prove that choice is a powerful motivator to support your corporate culture, reward performance, increase sales, celebrate milestones, show appreciation and more. SuperCertificate® REWARDS appeal to everyone in a diverse workforce. Your employees can redeem their SuperCertificate® REWARD for one gift card or a combination of gift cards of their choice from our list of more than 200 nationwide merchants, including popular stores, airlines, hotels, theaters and restaurants.

6 Merchiore, S. "Giving Recognition a Lift." HRO Today, 7:7, 2008. http://www.hrotoday.com/content/2139/giving-recognition-lift

7 Schweyer, A. "It's in the Cards: An In-Depth Look at PrePaid Cards in Incentive, Rewards & Recognition Programs." Incentive Research Foundation, 2012, p. 4. http://theirf.org/direct/user/site/0/les/Its%20in%20the%20Cards%20ver%20April%2020.pdf

Headquarters
GiftCertificates.com
11510 Blondo Street
Omaha, NE 68164

Corporate Sales Support
Phone: 877-737-0200

Follow Us

Subscribe

GC Incentives™ builds corporate incentive, promotion and reward programs that achieve results. Our incentive management system, IncentCore, makes it easy to implement, administer and take the guesswork out of your rewards program. More than 30,000 organizations, from industries like, energy, finance, insurance, manufacturing and healthcare have already partnered with GC Incentives, including many Fortune 1000 companies. We offer an extensive product portfolio including our SuperCertificate® REWARD, which is redeemable for over 200 nationwide merchant gift cards.

GC Incentives™ is the business-to-business division of GiftCertificates.com™. Established in 1997, GiftCertificates.com is a privately held corporation headquartered in Omaha, Nebraska. Learn more at www.gcincentives.com.