



# Using Recognition and Incentives to Drive Results



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From bigger expectations to shorter attention spans, plus enhancements like personalization, it seems recognition and incentives are growing more complex by the minute. Still, more and more companies are adopting formalized programs. The best among them? The organizations that view recognition and incentives as investments, not expenses.

But running a strong, effective recognition or incentive program certainly isn't accomplished by luck. Without a data-driven, analytical approach—and plenty of internal buy-in—companies will find themselves spinning their wheels. A program without the right blueprint will cost a bundle of time and effort, and leave you with little to show for it. Worse yet, you won't get the revenue results you want from your people. However, with the right strategy, those results aren't just possible, but probable.

### Five Tips for Using Recognition and Incentives to Drive Substantial Performance and See Results

#### 1. Strategically Define and Develop Your Goals

Targeting programs or promotions at all audience types is key to a successful strategy, but there is a distinct difference between recognition and

incentives. Recognition, by definition, is giving someone praise *after* the preferred behavior has been demonstrated. Incentives, on the other hand, are provided to people *before* the preferred behavior happens. Incentives drive performance and give your team a reason to push toward a far-off goal; recognition makes your people feel appreciated and valued for their work. When designing your program, understand what you are trying to achieve and who you want to motivate.

For example, recognizing top performers and incenting core performers is a best practice. An opportunity targeting your top performers is applicable and wise, but is usually considered more recognition-based versus incentive-based, as top performers may be producing at the same rate year after year. Sales growth and the ability to grow organically is directly correlated with long-term sales success; therefore, it is necessary to capitalize on growth from participants outside the top 20%; i.e., the core performers.

#### 2. Strategically Define and Develop Your Methodology

It's important to understand who your target audience is. Every person is unique, and responds to incentives and recognition in different ways. For example, what motivates a baby boomer might not necessarily motivate a millennial. Think about things that will capture attention by segment, and move

those groups to behave differently. Which segments respond to leaderboards or spurt activities? Which segments would rather go on a white-water rafting adventure than a group cruise to Cancun? Should the recognition you have planned be a public or private event?

Internal, or *intrinsic*, motivators are driven by what we value, such as a sense of belonging or status, and who we are. External drivers, such as tangible awards, friendly competition, or leaderboards, can be compelling components for behavioral change. Knowing which internal and external motivators will drive peak performance is important in securing your audience's best work.

### 3. Communicate—Simply and Meaningfully

Without clear communication of goals and your participants' particular role(s), the program can fall flat. Rules must be simple and easy to understand. Participants have communicated time and again, "Tell me what I have to do and what I will get for doing it." Keep the earning structure, message and awards simple. Make it clear to the participant what you want them to do and what they will receive for their efforts.

If you're not investing in a dynamic marketing plan that utilizes multiple forms of communication to target specific audiences, you're missing key performance and recognition program capabilities. To ensure active participation, a well-tailored communication campaign is important. Frequently communicate progress-to-goal updates with status reports and/or leadership boards to remind participants of their current standing and what they need to do to achieve desired outcomes.

### 4. Gather the Data, and Leverage ROI and VOI

You're already familiar with return on investment (ROI). It's the key figure your stakeholders want to see, and the figure that determines whether your program sinks or swims—or is it? What about programs that don't necessarily bring in bottom-line growth, but do produce something more qualitative?

A key component of program effectiveness is the data that is gleaned. That data allows program

owners to tweak and optimize their program to get the most from their spend. Two kinds of information can help with measurement: **qualitative** (data which reveals your participants' personal perceptions and attitudes regarding your programs and your business) and **quantitative** (metric-driven data). Qualitative and quantitative data work together to build a successful program.

Some programs simply can't be tied to an ROI (according to WorldatWork, only **14%** of companies use **ROI as a measurement for success** in their recognition program). In these cases, consider brand loyalty or employee engagement as ways to measure value on investment (VOI). Being able to leverage qualitative and quantitative elements in your program—ROI and VOI—is key when it comes to balancing performance and recognition in your program.

### 5. Celebrate

Above all else, performance recognition is a way of honoring team members for work they've done, and of encouraging them to keep climbing the mountain.

The best way to do that? Celebrate! Consider announcing winners and overall goal achievement throughout your company. Or, if participants prefer to be recognized in a personal way, give managers and co-workers the ability to reward top performers for performance, career, wellness, social and community goals. When you inspire participants to reach for next year's ambitious goal—while staying motivated and engaged—you build powerful performance recognition.



*ITA Group creates and manages events, incentives and recognition programs that align and motivate every organization's most valuable asset: its people. Based in West Des Moines, Iowa, ITA Group has operations in every region of the United States and award solutions for 75+ countries globally.*