

THE CORPORATE AGENDA

Motivational incentive schemes are increasingly being merged with flexible and voluntary arrangements

DEBI O'DONOVAN

There has been a rising tide of incentive and recognition schemes in UK organisations. Now that we are supposed to be coming out of recession, staff are getting pretty sick and tired of pay freezes or very low increases. Those used to variable pay are finding it hard to keep motivated when commissions and bonuses are thin on the ground.

So employers are having to think of affordable ways to keep staff incentivised in order to drive up productivity and ultimately improve business performance.

The answer for many has been to either dust off and reinvigorate the company recognition scheme, or launch a whole new one.

Several large reward consultancies have told me they are working with clients which big workforces to put these in place. So while the days of a



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line manager handing out ad hoc vouchers or prizes for good work are still with us, the incentivisation business is big business.

And when recognition or incentivisation programmes are rolled out to workforces of thousands they are often done so online, with staff earning points for achieving set targets or being nominated by colleagues or managers for work well done. The points are then accumulated and can be spent on gifts or taken as cash, depending on how the scheme has been set up.

What we are now seeing is a greater integration of these online incentive schemes with flexible and voluntary benefits schemes, where points earned can be spent on benefits or other products and services.

Several providers have been offering this integration for a few years, but the merger earlier this year of

Accor Services, Capital Incentives and Motivano and their evolution into Edenred in June demonstrates this trend.

But although using online technology is a sensible tool, such programmes are only going to really work if there is a strong human touch element. It is all very well being able to audit motivation schemes to ensure they comply with diversity and fairness objectives, and to prevent fraud but if they are not used properly they can become impersonal and lose the frisson of excitement an unexpected gift from the boss can create.

And the bottom line is, a line manager or senior director simply saying 'thanks' and 'well done' can often be a lot more powerful than any incentive. No computer can replace that. ■
Debi O'Donovan is editor of Employee Benefits magazine

PHILIP HOLLINGDALE

Imagine the scene: Roger sits in anticipation on the train on the way into work. He can't wait to log on to his company's benefits portal to see how he was rewarded for the great piece of work he did the other day. He logs in and before he gets to the incentive scheme, up pops his total reward statement which reminds him he had selected two extra days holiday in his company flexible benefits scheme this year. He looks at his incentive reward and is pleased to see he has been awarded two theatre tickets. Another alert pops up suggesting he could use one of his extra holidays to take his wife out to the theatre using the tickets. "What a great idea," thinks Roger. He sets about his day, highly motivated, highly engaged and productive and looking forward to giving the good news to his wife.

The above scenario, whilst slightly utopian, would only ever be possible because an employer had had the foresight to merge their flex scheme with their incentive scheme on the same technology platform. It is well documented that since the inception of flexible benefits in the UK there has been a measurable increase in employee engagement. The same has become true of incentive programmes. With technology in the mix, engagement and productivity is now increased by the power of three.

The flex scheme, if it includes a total reward statement, helps employees value all the rewards and benefits the company is giving them.

The incentive scheme rewards employees for going that extra mile. These schemes don't need to cost a lot of money. They are about recognising



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performance and appreciating people for what they have done. Whatever the reward it just needs to make the employee realise that they are cared about.

Putting both schemes on the same technology platform will help integrate all the tools managers use on a day to day basis via an easy to use portal. The employee journey can be created to ensure employees understand exactly how they are valued and rewarded within the company. Employers can quickly and easily give an award and keep track on who has been given them.

The good news is that Roger doesn't need to live in Utopia anymore - the technological capability already exists. ■
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