



JUST REWARDS

A successful incentive scheme to motivate and reward employees creates a happier workplace and boosts performance output. By Silke Colquhoun

Anyone for an all-expenses-paid holiday in Mauritius? Or what about a luxury Mediterranean cruise? A high-tech appliance or a cash reward? All of these 'prizes' are within reach of employees whose excellence at work is recognised through company incentive programmes.

Financial rewards for staff members may seem extravagant, even a waste of company money. After all, they get paid a salary to do their job. But think again: both global and local research has proved a strong business case for incentive schemes. A motivated, engaged workforce is crucial to the bottom line, especially in sales-driven organisations. Rewarding high-performing employees and members of management is closely linked to reaching increased performance targets and high return on investment (ROI) for the company – when the scheme is designed and implemented correctly.

'An effective incentive programme pays for itself, and for much more,' according to Gustav Lammerding, marketing director at Uwin Iwin, an incentive-solutions provider whose footprint covers eight African countries, as well as Brazil, India and Switzerland. 'Our own case studies show that sales performance increases between 15% and 30%

Lindiwe Sebesho, president of SARA, says: 'Rewards specialists generally ensure organisations' total rewards strategies and policies are formulated and implemented in a way that rewards people consistently and fairly, in line with the value of their skills, knowledge and experience. In particular, they have to ensure that performance-based rewards encourage employees to maximise their performance.'

The first step in the process is to analyse and attempt to fully understand the goals of the company and the psychology of an often diverse workforce, says Lammerding. Internal factors (such as an employee's

'It's not a question of finding a particular reward to suit all employees, but rather of providing a range and allowing employees to decide which ones suit their lifestyles and circumstances'

once an incentive programme is introduced. It's not a short-term commitment though: the longer a company runs its incentive scheme, the lower the average cost and the higher the ROI.'

During tough economic times, businesses may be tempted to reduce their incentive programmes to cut costs, but that is a false economy, as motivating employees (who are, after all, a company's biggest asset) requires a long-term strategy, not a quick fix.

CALL THE EXPERT

An excellent rewards strategy is an art, not a science, according to the South African Reward Association (SARA). Fortunately, specialist rewards and incentives firms – such as Uwin Iwin, Achievement Awards Group and The Rewards Factory – are here to guide businesses in perfecting this art.

age, cultural background, current job, level of education and professional expertise, and company culture) and external factors (such as the larger economic climate) both play a role when tailoring an effective incentive programme for a company.

And, of course, people all have different needs and desires. The popular *Armstrong's Handbook of Reward Management Practice* gives an example: 'Bankers, entrepreneurial directors or sales representatives will be more interested in financial incentives than, say, people engaged in charitable work.'

Camron Pfafferott, GM of The Rewards Factory, says: 'It's not a question of finding a particular reward to suit all employees, but rather of providing a range and allowing employees to decide which ones suit their lifestyles and circumstances – which change on a daily basis.'

There's a consensus that an ill-devised rewards scheme could have a damaging effect on a company, causing staff morale to slump, giving way to dissatisfaction, resentment and envy.

OVER AND ABOVE

An effective rewards programme needs to be transparent, easy to use and have a broad reach while being able to track and analyse performance data. Uwin Iwin has developed a digital solution for this purpose – a mobile-friendly, cloud-based platform that integrates with clients' technology.

'Netuwin works like a banking system that allocates and manages rewards points,'



says Lammerding. He explains employees receive points for a defined set of actions or behaviours: for instance, closing a sale. They then submit these points, which have a rand value attached, and eventually use them to buy vouchers in the virtual mall or goods – ranging from fridges to charity donations – from an online catalogue that can be customised to client specifications.

There's also the option of a branded cash card. 'The rewards are tiered, so – as salespeople reach a certain percentage of their target – they'll earn a small reward,' says Lammerding. 'It's enough motivation to push yourself and, once you exceed the target, you will reap massive rewards: the top 20% of salespeople receive travel incentives that will blow your mind.'

Rewards, recognition and incentive trends

- Group rewards for teams or departments, rather than individual employees, can create a feeling of inclusion and motivate teamwork.
- 'Gamification' is used to make incentive programmes fun and boost staff engagement by integrating playful elements into otherwise dull tasks.
- Presentation and timing are vital: even the most desirable reward loses its impact if poorly presented.
- Most organisations believe their employees see reward programmes as having 'a positive or extremely positive' effect on employee engagement (68%), motivation (62%) and satisfaction (70%).*
- The top five recognition programmes are based on: length of service (87%), above-and-beyond performance (76%), programmes to motivate specific behaviours (51%), peer-to-peer recognition (48%) and retirement (34%)*.

**Statistics from 2015 WorldatWork 'Trends in Employee Recognition' survey*

These trips are personalised, all-inclusive luxury experiences, packed with activities and culinary delights. Popular incentive travel destinations for Africa-based companies include Mauritius, Dubai and Europe, with an increasing demand for cruises.

'A good travel incentive is all about the extraordinary,' says Uwin Iwin CEO David Sand. 'It's that fine-dining experience in a private Tuscan villa; it's enjoying a day racing Ferraris in Monaco; it's about taking people to off-the-beaten-track destinations and giving them a lifetime of memories.' That's why incentive travel, with its 'trophy value', offers ROI and company loyalty that cash just cannot provide. In fact, four out of five employees would choose travel over cash incentives, according to a survey by the Society of Incentive & Travel Executives.

YOU MATTER

But, hang on: that's not to say staff recognition necessarily requires a huge financial outlay. There are other, non-monetary, ways to motivate and appreciate. Peer-to-peer appreciation has become a powerful tool. As it's often technology-based and accessible on mobile devices, it appeals to younger staff members.

Then there are the 'top employee' awards, which can honour excellence in any variety of categories. Innovative rewards could, for instance, include a day off or a VIP parking spot for the 'hero of the week'; or pampering services such as an on-site foot massage, haircut or car wash. However, in many cases, a sincere 'thank you' goes a long way towards motivating an employee.

'People work for money, but go the extra mile for recognition, praise and rewards,' said leadership-training expert Dale Carnegie decades ago. His observations of human nature are still highly relevant today – as proved in a US employee satisfaction survey by BambooHR. Asked why they quit their jobs, 82% of polled employees were annoyed about 'lack of recognition'.

A formal incentives-and-rewards programme can foster a culture of appreciation in the workplace and drive staff to perform better than average. The key objectives of such a programme should be to retain staff; attract qualified people to the organisation; and motivate employees to reach and maintain high levels of performance – which, in turn, is excellent for the organisation's bottom line. ●



PHOTOGRAPHY: GALLO/GETTYIMAGES