

The Design & Impact of Employee Recognition Travel Programs

White Paper: Critical Findings for Recognition Travel Programs



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Many organizations implement recognition and reward programs as a way to focus sales people on outcomes that are critical to growth. But as companies fight for market share in an economy that continues to have its challenges, progressive firms are breaking old paradigms. The Incentive Research Foundation (IRF) is seeing companies implement aggressive approaches in the effort to focus all employees on behaviors that drive business success. One such shift is the increasing inclusion of non-sales employees in group travel award programs—an award element traditionally reserved for only quota-carrying sales people.

To understand this trend, the IRF recently commissioned a study on an organization that uses a nomination framework to identify and recognize high achieving employees. Although this process of “nominating” potential winners is not unique, what is not typical is the use of group travel awards deliberately directed at “non-sales employees”. The goal was to uncover actionable best practices that could be used by companies seeking to implement similar programs and to provide sponsoring organizations and their industry partners with actionable guidelines for building and justifying such initiatives.

Through the course of the study nearly 200 qualitative interviews were conducted and combined with 256 survey responses. The result was a set of key design considerations other firms may also face when seeking to implement comparable initiatives. The researchers found the following six considerations crucial to organizations designing a nomination-based travel award program:

1. **Align the Program with Your Culture:** Long considered an important differentiator and worthy of cultivation, culture has been under stress in today’s economy. The financial pressures brought on by the “great recession” have compromised the “shared values and beliefs” once carefully nurtured by most employers. This firm used a well-defined and carefully communicated rewards program to define and reinforce the behavioral traits that defined its spirit, personality and internal brand in the context of relevant business outcomes. Senior management spent a significant amount of time each year determining the categories for awards. Employees were recognized for their support of new product introductions, quality delivery, customer dedication, new revenue growth, idea-sharing, community citizenship, cost savings and creative solutions. Importantly, however, the *manner* in which employees went about their work was important as well. All organizations should consider it a best practice to develop a program structure that explicitly reinforces the sponsoring firm’s mission and vision and is connected to desired outcomes.

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2. **The Program Needs Management Support:** The studied organization had been successful in promoting the program using an integrated marketing campaign across multiple media formats (email, posters, Intranet, audio, video, etc.). This firm also knew that senior level visibility was essential to both the program's internal awareness and acceptance. They recognized that the goals of this initiative could only be met if line managers embraced the business logic of the program and participated freely. This is a critical element to the communications strategy. As economies recover, senior leaders must clarify the seemingly contradictory messages that middle management has been hearing of the last few years—save money and reduce non-essential spending. The new messaging must emphasize to all levels of management that recognition is indeed an important activity, as is nominating employees for the program. This company positioned the recognition campaign as a priority and a consistent executive presence reinforced the business rationale behind the strategy.
3. **Clarify the Nomination Process Early and Often:** Including all employees as potential nominees is the key to generating excitement. Enterprise-wide eligibility helps to uncover individuals and/or teams worthy of acknowledgement. But that is just one consideration. Making the mechanics of the nomination process easy for all employees is another. A streamlined nomination approach increases participation and sustains support of the program. While the aggregate number of nominations is important, providing managers with clear criteria and guidance for submissions ensures that the most deserving employees are recognized. Companies looking to implement a nomination-based program should communicate rules governing eligibility, approval processing and other guidelines early and often during the campaign to avoid confusion and maintain higher utilization rates.
4. **The Evaluation and Selection Process Must be Transparent:** Since subjectivity is a key determinant in winner selection, the evaluation process requires planning. Key considerations include: who to involve in the evaluation/selection of winners, what criteria will be used in determining who wins, and to what extent the organization will share details about the process. When relying upon a nomination-based approach misconceptions can arise if the entire process is not fully understood and transparent. Surveys can help uncover information gaps. This in turn drives updated communications. Additionally, having repeat winners may make the program seem unfair—especially to those who have not been recently acknowledged. Organizations should consider policies that either restrict the option or work to clarify that repeat winners are indeed a possibility.

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5. **Warning: Program Measurement can be a Challenge:** Tracking meaningful financial measures and gauging the ROI of a nomination-based travel program can be a nuanced exercise. In this case, the executives who oversaw the program instinctively believed it was accomplishing its goals because they were closely tied to the award category selection and the winner selection. The program's broad motivational reach was also a testimony to the campaign's success. The program was designed to reward only the top 2-3% of employees, but nearly half of the potential winners indicated that they were inspired to improve their performance. Organizations looking to develop a business case should not hesitate to include evidence of an anecdotal nature along with non-financial metrics. Increases in employee morale, engagement, job satisfaction, retention, and other ancillary measures can be a good place to start.

6. **Incentive Travel is just One Piece of the Recognition Equation:** Although those nominated will initially feel recognized, a nomination-based travel program will, by its nature, delay the majority of gratification until it operates. Forward-thinking companies should integrate other events (primarily communications) to increase the frequency of program touches. Building a campaign in support of the annual operation is one way to keep the message fresh, contemporary and relevant. One best practice involves leveraging the story behind each nomination. All submissions present an opportunity to develop and distribute "updates" that recognizes an individual or a team, tells their stories, and socializes the admired behavior. In doing so companies not only endorse the actions of winners, they also promote the program.

Conclusion

The studied organization's program provides a unique model and design considerations for other organizations considering a similar nomination-based travel program. The data presented in the case study clearly demonstrate the impact and benefits incentive travel can have on employees. Award recipients indicated the program had a strong positive impact on their commitment, morale, and job satisfaction. Feedback from multiple stakeholders suggested that the use of travel provides long-lasting benefits that carry over after the trip and impact the winner's co-workers. When designed appropriately and combined with everyday informal recognition activities, travel awards offer a memorable experience and other long-lasting effects that cash or other rewards arguably cannot match.

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This study is one of three case studies in a series on group travel as an incentive and recognition award. The first case study examined how an organization employed incentive travel for the top award for their sales force. This study examines the use of group travel as recognition for employees that are selected from nominations highlighting the employee's achievements against eleven criteria. Finally, a third case study is underway to look at the use of incentive travel in a channel partner sales program.

This trilogy is a unique resource to the incentive and group travel industry. It not only showcases the use of this exciting award vehicle but, for the first time, also provides an in-depth look at how these programs work, their impact, and insights into how they can be effectively designed and implemented.



The Incentive Research Foundation funds and promotes research to advance the science, enhance the awareness and improve the appropriate application of motivation and incentives in business globally. The goal is to increase the understanding, effective use and resultant benefits of incentives to businesses that currently use incentives and others interested in improved performance.

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