

# Case Study:

## The Design & Impact of Employee Recognition Incentive Travel Programs

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## Table of Contents

Executive Summary .....	1
Background.....	4
Objectives .....	5
Methodology.....	5
Brief Literature Review .....	8
The Program Structure and Process .....	11
Program Description & Purpose .....	11
Program Description .....	11
Reason for Program at Company XYZ.....	12
Typical Program Schedule .....	12
Evolution of the Program.....	12
Results of Program Changes .....	15
Program Statistics .....	16
Communication & Promotion of the Program.....	17
Potential Pitfalls in Promotion of the Program.....	18
Award Categories .....	19
Design Considerations in Selecting Award Categories .....	20
Nomination Process.....	21
Potential Pitfalls of the Nomination Process .....	22
Other Nomination Process Design Considerations.....	26
Evaluation & Selection Process .....	28
Key Design Considerations in Evaluation/Selection Process .....	29
Measuring Program Success .....	32
Destination Selection.....	34
Why Incentive Travel? .....	35
Executives & Program Managers' Perspective.....	34
A Manager/Supervisor Perspective .....	35
Winners' Perspective .....	36
Non-Winners' Perspective .....	38
Potential Winners' Perspective .....	40
Program Impact on Destination Economy .....	41
Budget & Financial Impact on the Destination Economy of Company XYZ's Program.....	42

Quantitative Results – Program Design, Implementation & Measurement .....	43
Key Findings .....	43
Program Communication .....	46
General Perceptions About Process & Program .....	48
Impact of the Program .....	49
Experience of Past Winners .....	50
Comparisons – Program Communications .....	51
Rating the Level of Communication by Topic .....	51
Rating the Level of Communication From.....	51
Comparisons – General Perceptions About Process & Program .....	52
Comparisons – Impact of the Program .....	52
Respondent Profile .....	53
Limitations.....	54
Conclusions .....	55
Summary of Key Considerations When Designing a Nomination Based Program .....	57
REFERENCES .....	58
Appendix .....	59
Sample Nomination Form.....	60
Survey .....	61

## Executive Summary

Many organizations implement recognition and reward programs to help achieve varied goals and objectives. Many of these programs focus on rewarding top performing salespeople or others that are judged on an objective/quantitative basis (cost savings, revenue generation, etc.). Increasingly, organizations are seeking ways to recognize and reward high achieving employees who positively contribute to the organization's mission and vision but may not be in sales or other positions tied to objective based award qualifications. Programs using nomination processes provide an opportunity for these organizations to recognize and reward employees from areas outside of sales. However, the use of incentive travel recognition programs based on a nomination process is less understood than sales- and cost-driven programs. The Incentive Research Foundation (IRF) commissioned this research to better understand the use of a nomination process for a recognition-based travel program to educate the industry and organizations who may consider implementing this type of program.

A company with an established nomination-based, non-sales employee recognition incentive travel program was selected to participate in this case study. Based on extensive qualitative and quantitative research of the organization's program, the case study provides a description of the program, identifies key challenges and design considerations facing organizations seeking to implement this type of program, and provides insights on the program's impact on multiple stakeholders. Nearly 200 qualitative interviews/online forum responses were collected from multiple stakeholders and 256 survey responses with company employees provided data on program communication, general perceptions, impact of the program, and past experiences.

In combination, the following report provides initial insights for the incentive travel industry and organizations considering implementing a similar program. Based on the research findings, six focal areas surfaced that organizations considering similar programs should take into account when designing a nomination-based program for their organization.

1. **Align Program Purpose/Objectives With Organizational Culture:** A well-defined and communicated program purpose and related objectives will assist in gaining management and employee support for the nomination process. Organizations should consider tying program goals to key organizational values and/or the organization's mission/vision. Award categories should reflect the overall program goals and company mission. Providing award categories that make it possible for all eligible employees to be nominated is an important aspect to encourage nominations and to maximize the value of the program.
2. **Program Promotion Needs Management Support:** The studied organization has been fairly successful in promoting the program using an integrated marketing communications approach across multiple internal media formats (email, posters, Intranet, audio, video, etc.). Beyond these more formal communications from HR and/or executives, the level of communications and support from managers/supervisors is likely to have a large impact on overall support and engagement with the program. Inconsistent use of the nomination-process as a form of recognition and/or communication of the program can lead to disenchantment with the program and feelings that success is unattainable. Training on the importance of the nomination process in recognizing their employees may help increase support from managers/supervisors, as our data suggest the nomination process itself is a good way to recognize employees.
3. **Nomination Process is Key to Entire Program:** In non-sales based recognition programs the nomination process becomes the key aspect in identifying worthy individuals and/or teams to receive the incentive travel award. Several considerations must be taken into account when designing the nomination process. Importantly, making the process easy to start and complete and providing assistance to employees will increase the number of submitted nominations. While the number of nominations is important, efforts focusing on high level achievements will ensure those who are most deserving are recognized. Decisions must be made in terms of who is eligible to nominate, what steps must be taken as part of the process, and what information should be communicated to encourage submissions.

4. **Evaluation/Selection Impacts Nominations & Overall Impact:** Since subjectivity is a key determinant in the evaluation/selection process, this aspect of the program represents another key design element. Considerations include (a) who to involve in the evaluation/selection process, including external and/or internal organizational members, (b) what criteria will be used in making selections and if quotas from award categories should be considered, and (c) to what extent the organization plans to share details and/or feedback about the process. Qualitative feedback from the study organization suggests that when using a nomination-based approach misconceptions can arise if the evaluation/selection process is not fully understood or is not transparent; especially for non-winners. In order to minimize these misconceptions, organizations need to design the process so that even if disappointed, non-winners feel that those being recognized are deserving of the award. In part, this “face test” relates to ensuring the nomination process is adequate at identifying all “worthy” individuals. Repeat winners and other issues can make the program and evaluation/selection process seem unfair, so organizations may want to consider policies related to these aspects.
5. **Program Measurement is More Difficult:** Financial measures and ROI of a nomination-based incentive travel program are difficult to calculate. In the studied program the organization focuses less on program measurement because the executives who oversee the program anecdotally see/feel that the program is accomplishing organizational goals through their in-depth involvement with the program - - recognizing employee achievements that benefit the company. Organizations considering similar programs are likely to want more concrete metrics in evaluating the success/impact of the program. Survey data suggests that potential non-financial metrics organizations could use include employee morale, engagement, job satisfaction, employee retention, and likelihood of recommending the company as a good place to work (among others).
6. **Incentive Travel Should be One Piece of the Recognition Space:** Importantly, organizations utilizing a nomination-based incentive travel program must identify informal and everyday recognition activities to go along with the more formal program (Saunderson, 2004). In combination with these other efforts, incentive travel offers several benefits including a “trophy value” that provides a memorable experience and carryover effect on morale, satisfaction, and other aspects long after the award trip.

## Background

Organizations from multiple industries use recognition and reward programs to help attain company goals and objectives. Many of these programs focus on rewarding top performing salespeople or others that are judged on an objective/quantitative basis (cost savings, revenue generation, etc.). Organizations also seek ways to recognize and reward high achieving employees who positively contribute to the organization's mission and vision but may not be in sales or other positions tied to objective based award qualifications. Programs using nomination processes thus provide an opportunity for these organizations to recognize and reward employees from areas outside of sales. However, the use of incentive travel recognition programs based on a nomination process is less understood than these sales-/cost-driven programs. This type of program requires more subjectivity in selecting winners from a nomination process. The Incentive Research Foundation (IRF) commissioned this research to better understand the use of a nomination process for a recognition-based travel program to provide the incentive travel industry and organizations who may consider implementing this type of program an additional detailed resource.

The following case study provides an objective review of a nomination-based recognition incentive travel program. The studied program presents a unique case study given the organization has revised the program in the last four years. Lessons learned from these modifications and feedback gained from qualitative and quantitative research with company executives, managers, and employees offer key lessons for other organizations. Recommendations for program design and structure, measurement of program impact, and other details are outlined to assist other organizations in the implementation of a nomination-based recognition incentive travel program. Additionally, the incentive travel industry benefits from an increased understanding of how vendors and the destination economy benefit from similar programs.

## Objectives

The purpose of this study is to provide a research-based resource for the Incentive Travel Industry and organizations considering the use of a nomination-based employee recognition travel program. Specifically, the objectives of the study include:

- Identify the purpose of a non-sales employee recognition travel program and reasons an organization may implement this type of program including possible objectives, program design, nomination and selection processes, and other considerations.
- Evaluate the effectiveness of such a program utilizing qualitative and quantitative feedback from multiple perspectives including executives, managers/supervisors, nominators, winners, non-winners, and potential winners to ascertain the impact of the program on multiple stakeholders and measure gaps in perceptions and understanding of the program.
- Ultimately, to provide a case study which identifies guidelines and best principles for (a) designing the rules and structure of a “nomination approach” recognition-based incentive travel program, (b) communicating the program to employees, and (c) measuring the impact of the program.

## Methodology

The research team follows the Research-Pyramid Approach<sup>SM</sup> when developing and assessing the appropriate research methodology to utilize. On projects with similar objectives, the team employs a consistent research philosophy based on building knowledge from the bottom up, known as the pyramid approach to gathering knowledge. The approach is grounded on the belief that extensive exploratory or qualitative research must first be conducted, and foundations established, before more specific and generalizeable quantitative/descriptive research efforts can be undertaken. This approach is an objective and systematic process for producing valid and reliable data on which outcomes can be measured.



A company with an established non-sales employee recognition incentive travel program was selected to complete the research process and to serve as a case study on the use of a nomination-based employee recognition travel program. The company benefits from this study through an objective external analysis of their program and the identification of their employees' perceptions. As part of this agreement, the organization's confidentiality and anonymity were guaranteed and therefore will be referred to as Company XYZ. The company has approximately 2,500 employees across the United States, is well established, and has had a recognition-based incentive travel program for over 10 years. As outlined earlier, Company XYZ's program underwent changes in the last four years and therefore provides a unique case study for the industry and other organizations considering the implementation of a similar program.

The exploratory research outlined here examines the purpose, design, and impact of an employee recognition incentive travel program. Figure 1 shows the Research-Pyramid Approach<sup>SM</sup> which includes an advisory committee, a brief review of current literature, forums and interviews with multiple stakeholders from the study organization with an incentive travel

**Figure 1: Research Pyramid Approach**



program, and data analysis of a quantitative survey of organization employees. More detailed information is presented below on the specific elements of the research methodology.

**Advisory Committee:** The formation of an Advisory Committee to guide the research process is important for designing research efforts and building a program based on input from key decision-makers. Committee members included individuals from the Incentive Research Foundation, including industry representatives, and employees who oversee the incentive travel program from the study organization.

**Literature Review:** Prior to conducting any project, a review of existing databases is undertaken to uncover any previously published conceptual or empirical studies/reports that may help familiarize the research team with a specified area. In this particular project, the team reviewed past studies related to incentive travel programs and employee recognition programs.

**Key Informant Interviews & Forums:** Key informant interviews and online forums, are conducted for the purpose of identifying non-published data, gathering qualitative feedback on the program, and a wide variety of other important issues. Interview guides were developed for each target based on input from the advisory committee, literature review, and findings from the other target groups. Since the organization has employees across the U.S., and the program is open to employees in several departments/jobs, Company XYZ assisted in sample selection to ensure a representative mix of employees. For this project, interviews and/or online forums with the following groups from Company XYZ were conducted: (1) Executives (2) Incentive Program Managers/Planners, (3) Company Managers/Supervisors, (4) Nominators, (5) Past Award Winners, (6) Non-Winners (employees who were nominated but did not receive the award), and (7) Potential Winners (employees who have never been nominated but are eligible for the program). Interviews were also conducted with vendors who worked with Company XYZ on at least one past incentive travel trip. Table 1 provides a more detailed description of each of these target audiences and the number of participants from each category. A total of 199 participants provided qualitative feedback through interviews and/or online forums.

**Table 1: Company XYZ Interview/Forum Target Audiences**

Target Audience	Description	Participants
<b>Executives</b>	Included President/CEO and Senior VP of Human Resources; both of whom are responsible for the selection of award winners	2
<b>Program Managers</b>	Employees who oversee communication of the program, destination selection, and other activities	2
<b>Managers/Supervisors</b>	Sample of employees with direct reports from across the organization including Directors, Regional Managers, Managers, Association Managers, and Supervisors	35
<b>Nominators</b>	Employees who have submitted a nomination	48
<b>Past Award Winners</b>	Employees who were nominated for the award program and were selected as an award winner	43
<b>Non-Winners</b>	Employees who were nominated for the award program, but were not recipients of the award	35
<b>Potential Winners</b>	Employees eligible to be nominated as part of the program, but have never been nominated	30
<b>Suppliers</b>	Businesses that were vendors on a Company XYZ incentive travel trip	4
	<b>TOTAL</b>	<b>199</b>

**Quantitative Data:** The preceding qualitative data sources provide the basis for collecting descriptive survey data that (1) may be used for establishing baselines and (2) are generalizable to the overall population of interest. Quantitative survey data for this project were collected to provide measurements on (a) communication of the program, (b) general perceptions of the program, (c) program impact, and (d) personal experience with the program across multiple stakeholders. Representative samples for the survey were drawn by Company XYZ to reflect the employees eligible for the program. Table 2 shows a breakdown of survey responses by target.

**Table 2: Company XYZ Survey Respondents**

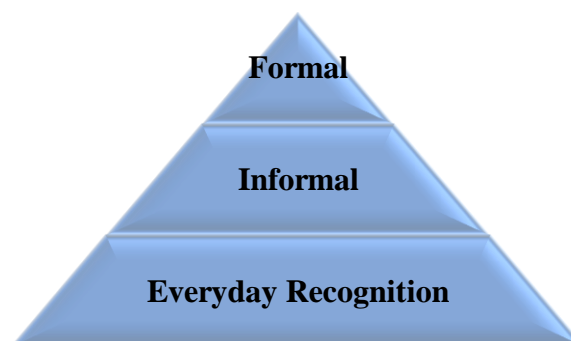
Target Audience	Participants
Managers/Supervisors	103
Nominators	125
Past Award Winners	73
Non-Winners	149
Potential Winners	33
<b>TOTAL*</b>	<b>256</b>

\* In the survey there is overlap among the groups since managers/supervisors could be a nominator and/or past nominee. Non-managerial nominators also could be a past nominee.

## Brief Literature Review

Strong support exists for the positive impact employee recognition programs can have on the workplace through increased morale, sense of belonging, commitment to the organization, satisfaction, and employee retention (Saunderson, 2004). Saunderson highlighted three levels of recognition programs (see Figure 2)<sup>1</sup> including formal, informal, and everyday recognition. Incentive travel programs, similar to the one in this case study, represent a formal recognition award program (often reserved for top achievers) and are commonly acknowledged as a useful

**Figure 2: Types of Recognition Programs**  
(Adapted from Saunderson)



<sup>1</sup> Adapted from Saunderson, R. (2004). Survey findings of the effectiveness of employee recognition in the public sector. *Public Personnel Management*, 33(3), 255-275.

mechanism to motivate and engage employees while improving overall business performance (Xiang & Formica, 2007; Cho, Woods, Jang, & Erdem, 2006; Shinew & Backman, 1995; Tepper, 1993). Traditionally, incentive travel award programs have focused on motivating and rewarding sales force performance. However, non-sales incentive travel programs are increasing in popularity as firms seek ways to improve morale, engage employees, and other non-sales based objectives (Lallande, 2008; Incentive Federation, 2003).

Research and industry reports have long identified strong support for the use of incentive travel in employee recognition and reward programs due to distinct benefits that incentive travel provide beyond cash or other non-cash incentives (merchandise, gift cards, etc.). A recent 2009 study showed a high percentage of both executives and incentive travel participants believe that incentive travel “significantly impacts” employee morale, job satisfaction and performance (Oxford Economics USA, 2009). A 2003 study of users of merchandise and travel items for motivational applications conducted for The Incentive Federation indicated that users believe incentive travel provides a more exciting and more memorable, long-lasting experience than cash or merchandise incentives. Travel has also historically been found to better fit employee’s needs for achievement, recognition, and reward (Sheldon, 1995; Hastings, Kiely, and Watkins, 1986). Moreover, the presence of other top-performers and executives/upper management provides networking opportunities to winners that are not available through these other rewards (Sheldon, 1995; Witt, Gammon, and White, 1992). In combination, incentive travel provides a “trophy value” beyond the initial recognition announcement and travel event and is likely to have long-lasting effects on performance and morale for the sponsor organization.

The benefits of incentive travel programs extend beyond the impact on award winners and the increase in morale, satisfaction, and other cultural aspects for the sponsor organization (Severt and Breiter, 2010). Vendors and the local economy of the trip destination are greatly impacted by these programs. Recent research and estimates put the incentive travel industry’s impact at \$13.2 billion and 4% of total travel in the US (PriceWaterhouse Cooper, 2010). Additionally, the U.S. Travel Association indicates the direct, indirect, and induced output from

travel and tourism is equal to a multiplier effect of 1.7 of travel expenditures.<sup>2</sup> A 2009 Oxford Economics USA study on the ROI of U.S. Business Travel showed that incentive travel accounted for an average of 5% of the business travel budget. Moreover, incentive travel is estimated at providing a median return of over \$4 for every \$1 invested; although this likely focuses primarily on companies using sales-based programs. However, the recent economic downturn and associated negative media coverage of business and incentive travel have put a damper on what was one of the fastest growing segments of the travel industry. Importantly, recent indicators from the Incentive Research Foundation's Pulse Survey indicate the incentive industry will improve over the next two years as the economy recovers, including incentive travel where budget increases are expected (IRF, 2010).

Given these recent developments, research demonstrating the benefits and impact of incentive travel programs as well as studies that outline key design elements are warranted. Sales-based travel programs have generally been the primary focus of these studies, in part because of their more widespread presence, but also due to the fact it is easier to measure the program's financial impact and return on investment. What is less understood and therefore necessary, is research that looks at the financial and non-financial impact of non-sales, nomination-based employee recognition incentive travel programs. Based on extensive qualitative and quantitative research, the following case study provides a starting point for designing, implementing, and measuring the impact of this type of program for travel industry members, service providers, and organizations considering using this as part of a recognition program.

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<sup>2</sup> Multiplier effect was calculated based on 2009 data provided on Travel Expenditures and Tourism Related Output by the U.S. Travel Association.

## The Program Structure and Process

### Program Description & Purpose

#### Program Description

The “Recognition Incentive Travel Award Program” at Company XYZ is an annual company-wide employee recognition award designed to encourage and recognize extraordinary effort, contribution and achievement. The program is targeted at top-performing employees nominated as an individual or in a (project) team of up to six nominees. Nominations are submitted by Company XYZ employees in a variety of 11 categories (outlined later) that offer nomination opportunities to all employees within all departments. Company XYZ utilizes a separate program for sales employees (not covered in the scope of this study) who are not eligible for the program described in this case study. Winners are selected and are awarded a weekend trip (five days, four nights) at a luxury resort with a guest (age 16 or older), a recognition celebration, crystal award and company-wide recognition received via the company intranet.

#### **Employee Descriptions of Program**

*“It is a recognition program that aims to identify the top personal and group performances of the year. The program is the pinnacle rewards program XYZ offers and is an extravagant and lavish get-away for folks who went above-and-beyond their traditional job description.”*

**Manager/Supervisor**

*“This is an opportunity to recognize an individual or a group for their extraordinary efforts. This could be for one specific large item or a group of smaller items that have benefited our customers, our team, and/or the company. In many instances this is going above and beyond what is expected and the employee/employees should be recognized.”*

**Nominator**

*“It's one of the most rewarding experiences anyone will ever have. It truly helps anyone understand how much XYZ as a company appreciates its hard working and talented employees. There are no words to describe the generosity of XYZ and the hard work and a lot of planning that goes into making the program what it is.”*

**Winner**

## Reason for Program at Company XYZ

Company XYZ has utilized an employee recognition incentive travel award program since the mid 1990s. The program was initially implemented to fill a void within the “recognition space” and was in line with the organization’s mission and vision. At the time of the program’s inception, the current executives were in other positions at the organization but believe the purpose behind the program was to put in place a formal recognition program beyond the day-to-day recognition efforts. Specifically, the travel award program focuses on recognizing excellence from employees for accomplishments that benefit the company in areas tied to the organization’s mission and vision.

*“I think it is as fundamental as we have a large organization where a lot of great things are going on and we want to have a program that recognizes employees within the company for those accomplishments...things that they do to benefit the company.”*

***Company XYZ Executive***

## Typical Program Schedule

- |                                        |             |
|----------------------------------------|-------------|
| ➤ <i>Nominations Due</i>               | Mid-January |
| ➤ <i>Winners Announced Companywide</i> | March       |
| ➤ <i>Trip</i>                          | May/June    |

## Evolution of the Program

Since the mid-90’s, the recognition travel program has undergone several modifications to improve the program and to make it more inclusive to employees from across the organization. According to executives, the recognition travel program initially had a strong focus on process improvement and revenue generation and therefore involved an external selection process that was viewed to be “objective.” Under the old program, winners generally came from the corporate office and there were often repeat winners. Additionally, the use of an external reviewer created a “beauty contest” atmosphere in preparing nominations which favored those in the corporate office or those with better writing skills. This led to a general feeling that the program was limited to a select group of employees. Three major changes over the last four years were made in order to make the program “feel more available” to a wider group of employees. Table 3 identifies problems with the old program format and the associated changes to rectify the issues, while major changes are summarized below.

- ***Change in Award Categories:*** Changes have been made in order to ensure all non-sales employees, particularly those in “field” positions, could be nominated for individual/team achievements. The 11 categories in theory align with one or more of the company’s mission, vision, and shared values; however, the change in categories was primarily driven by the desire to allow any person in the company to contribute and be nomination-worthy.
- ***Change from External Third Party to Internal Evaluation:*** The evaluation process used to be conducted by an independent, third party organization. Nominations also received feedback and scores from the third party organization. However, the executives felt this turned the program into more of a “beauty contest” based on writing and the way the nomination was packaged (graphics, visuals, etc.) since the independent scoring company did not have a good understanding of the organization. Under the current program, the evaluation and selection process is primarily conducted by two executives with input from others on the executive team. Feedback is no longer provided to the nominators or nominees other than identifying those who receive the award.
- ***Easier Nomination Process:*** The nomination process was simplified to encourage more nominations. The old process was a 1,000 word application along with six pages of attachments. The current process is something that can be started within a few minutes and completed at a later point in time prior to the nomination period deadline. The new process involves answering two questions in an online form. An example nomination form is included in the Appendix.



**Table 3: Old vs. Current Program & The Need for Changes**

<b>Issue</b>	<b>Old Format</b>	<b>Need for Change</b>	<b>Current Format</b>
<b>Award Categories</b>	Focused on process improvement and revenue generation	Limited the number of nominations submitted and made program feel exclusive to certain employees. Changes were needed to make program more inclusive companywide.	11 categories tied to company mission, vision, and shared values
<b>Nomination Process</b>	1,000 word application plus six pages of attachments	Process was viewed as time consuming, favored those with good writing and presentation skills. Limited the number of nominations.	Online form with two questions that can be started in a few minutes and completed at a later date
<b>Team vs. Individual Nominations</b>	Generated a higher number of team nominations	Team nominations oftentimes included individuals who did not contribute high value to the project for which the team was nominated. Created feeling that one had to be part of a team in order to win.	Puts focus more on individual nominations and evaluates a team nomination more stringently
<b>Evaluation Process</b>	3 <sup>rd</sup> party external reviewer scored nominations and provided feedback to nominators	3 <sup>rd</sup> party reviewer didn't have a good understanding of Company XYZ creating a "beauty contest" based on writing and way the nomination was packaged	CEO/President and Senior VP/Director of HR evaluate and select with feedback from rest of executive team

## Results of Program Changes

The addition of more categories, an easier nomination process, and other changes contributed to the increase in total nominations as part of Company XYZ's Recognition Travel Program. Additionally, the program has shifted from mostly team-based nominations to include more of a mixture of team and individual nominations. As part of this evolution the two executives have set the bar higher for evaluating team-based nominations and reduced the number of individuals that can be included as part of a team-based nomination. While stigmas related to the old program format still exist within the organization, the new format has led to the program being more inclusive of all employees. Communication efforts continue to stress the

*“One of the advantages that we have that would not scale in some of these other organizations is we stay fairly close to what is going on. And so when projects come in, it is highly unlikely that we don't know about it. At the same time we also are aware of things that we would say, ‘why isn't that here, didn't that go really well.’ So we are close enough because of the size of the company to be able to apply that.”*

***Company XYZ Executive***

improved, easier nomination process and the wide range of award categories. The evaluation and selection process is also geared to ensure more widespread representation of employees from across the organization. Given the executives close involvement with the organization they oftentimes actively seek out nominations from certain areas of the organization in which they recognize something that is nomination worthy. In combination these changes have contributed to a more inclusive program and increased the number of worthy nominations (see Tables 4 and 5 on following page).

Importantly, lessons learned by Company XYZ during the shift in award categories, nomination process, and selection process can be implemented from the start for organizations considering a nomination-based incentive travel program. Program design recommendations based on these changes include:

- Identify award categories that provide opportunities for all employees to be nominated you wish to include in the program.
- Simplify the nomination process to encourage more nominations.

- Recognize that while external reviewers will provide an objective evaluation; because they do not have as good of an understanding of the organization, the process is likely to put more emphasis on writing ability and presentation.
- An internal review process such as the one conducted by Company XYZ is likely to work best in smaller organizations or those in which the executive team is aware of different projects and activities occurring across the organization.

## Program Statistics

Statistics provided by Company XYZ regarding nominations are presented below. In addition to these figures, the program has averaged 60-70 winners per cycle. Over the past two years (2009 and 2010) the trip has included 127 and 118 guests (includes three officers plus their guests and two planners in each year). Data related to the economic impact of the program is presented later under the *Program Impact on Destination Economy* section.

**Table 4: Nominees: Team vs. Individual 2008-2010**

	Total Nominees	Team-Based	Individual-Based
<b>2008</b>	266	36 teams (150)	116
<b>2009</b>	354	46 teams (230)	124
<b>2010</b>	441	64 teams (250)	191

**Table 5: Nominations by Category 2008-2010**

	2008	2009	2010	Average
Creative solution	4	28	23	<b>18</b>
Customer challenge	10	7	12	<b>10</b>
Dedication to Customers	78	46	101	<b>75</b>
Generated revenues	7	8	8	<b>8</b>
Good citizen	2	7	8	<b>6</b>
Leadership/coaching	18	21	33	<b>24</b>
New product/service	9	2	2	<b>4</b>
Quality up-front	9	16	32	<b>19</b>
Saved costs	6	13	15	<b>11</b>
Shares ideas	9	22	21	<b>17</b>
<b>TOTALS</b>	<b>152</b>	<b>170</b>	<b>255</b>	<b>192</b>

## Communication & Promotion of the Program

Communication plays an important role in generating awareness of the program and encouraging nominations. For Company XYZ, communication/promotion of recent changes is particularly important given the negative perceptions of the old program held by many long-time employees. The program is promoted to employees throughout the year utilizing multiple media formats in order to reach thousands of employees dispersed across the U.S. Promotion for each nomination cycle begins immediately following the return from the current year's program and continues monthly until the nomination cycle closes. Official communication of the program includes:

- Creation of special themes each year as part of an integrated marketing communication plan for the program.
- Media formats include personal notes from the CEO/President to previous winners, videos, posters, emails, and online information shared through the company intranet.
- Interviews with past winners are used to share feedback in articles, audio clips, and video shared on the intranet site.
- Winners are announced in March through video placed on the company intranet.
- The destination is kept confidential until the winners are announced to build suspense and anticipation.

## Potential Pitfalls in Promotion of the Program

Qualitative feedback suggests that recent changes to Company XYZ's programs have also contributed to an increase in overall awareness and promotion of the program. Insight from Company XYZ executives, managers, and employees identified potential pitfalls in promoting a nomination-based employee recognition incentive travel program.



### Potential Pitfalls in Promoting the Program

- Inconsistent management support across departments
- Myths/misconceptions about the program
  - Who is eligible for program
  - Who is eligible to submit a nomination
  - What is nomination-worthy

***Inconsistent Management Support & Promotion:*** Beyond the executive level, support for the program is likely to vary among other levels of managers and supervisors. Managers who have direct contact with employees have a significant impact on employees' beliefs and opinions of how the program applies to them and therefore top-down engagement with the program is important. Consistency across the different departments/areas can be improved through training of managers/supervisors to help them understand the program and impact on employee engagement, morale, satisfaction, and other areas. Seeking management involvement and feedback for improving the program also helps create buy-in and support for the program.

***Myths & Misconceptions:*** While Company XYZ's program creates unique issues stemming from the old program, misperceptions regarding employee recognition and reward programs are likely to exist in many organizations. Key aspects of a nomination-based program that need to be

*"I think that the Senior Leadership has done a great job promoting the program. I think that Managers and Supervisors need to do more promoting and I will."*

***Manager/Supervisor***

*"To become part of our culture, it needs to be consistently emphasized from the leaders of the organization and there seems to be gaps today in how much importance senior leaders place on recognition."*

***Manager/Supervisor***

clear include: (1) who is eligible for the program, (2) who is eligible to submit a nomination, and (3) what is nomination worthy. Managers/supervisors must serve as advocates for the program in order to provide information to disprove any negative perceptions that surface. Providing examples of (winning) nominations, using examples of winners from across the organization, sharing information about the evaluation and selection process, and other information can help improve participation in the program, and thereby its overall impact.

### **Award Categories**

Award categories are reviewed on an annual basis to ensure nomination opportunities are available companywide. As outlined earlier, changes to the program have focused on adding/revising categories to make the program available to employees in different job functions. The award categories are closely aligned with the organization's mission and vision and reflect the important values at Company XYZ. Current award categories include the following:

- Identified an idea leading to a new product/service
- Establishes quality up-front (in products/services, processes, projects), avoiding rework and fixes
- Consistently demonstrates extraordinary dedication to customers (internal or external)
- Solved a challenging customer situation
- Being a good citizen and making a difference in our communities
- Provides outstanding leadership or coaching by setting expectations, monitoring progress and/or providing frequent feedback
- Generated revenue growth from existing revenue streams
- Uses data to identify and/or implement improvement opportunities
- Actively shares ideas, knowledge and techniques with peers
- Identified and/or implemented a creative solution
- Saved the organization significant costs

## Design Considerations in Selecting Award Categories

The selection and definition of award categories in nomination-based recognition programs is more difficult than using objective sales-based data of “traditional” incentive travel programs. Aligning award categories with key organizational values can assist in achievement of desired outcomes. Incentive travel programs should be used as a formal part of a larger recognition program that includes informal and everyday recognition. Given the value of incentive travel, award categories should be selected to recognize accomplishments of individuals/teams that go above and beyond their normal responsibilities. Several issues must be considered when outlining a nomination-based recognition incentive travel program to ensure all eligible employees view the program as available to them.

*“Make sure you think through the categories of the winners, specifically to assure that the cross-section of employees you would like to recognize have reasonable ways to get nominated.”*

***Company XYZ Executive***



### Design Considerations in Selecting Award Categories

Provide opportunities for employees from across the organization to be nominated

- Single event and/or extended high-level performance?
- Individuals vs. teams or combination?
- Provide clear definitions of each category

Once an organization determines which employees they want to include in the program, award categories need to be identified that offer opportunities for all eligible employees to be nominated. Company XYZ’s program includes categories that are open to both individuals and team-based nominations. While most nominations focus on single-events, the executives also have a desire to recognize employees with sustained high performance levels. Other organizations implementing a nomination-based program must make decisions regarding the focus on a single event and/or extended performance while also considering the value in

recognizing individuals, teams, or a combination of the two based on organizational structure, program goals, and other considerations.

Suggested improvements from Company XYZ employees include adding even more categories that help recognize individuals from departments/job functions that tended to go unrecognized under the old program. Specific suggestions include more categories for non-corporate employees and finding categories to recognize individuals who are not part of “grand ideas” or projects. An award category to recognize long-term employees for their loyalty/longevity with the company could also be considered. Additionally, a category for those who may contribute to multiple projects but only for limited durations on each project may be considered. However, care must be taken to ensure that the addition of award categories does not result in “too many watered down” nominations and winners that employees may view as unworthy of the award.

*“My recommendations are not so much with regard to improving the incentive travel program, but toward expanding recognition programs within our company. Currently, we basically have nothing “in the middle”. My opinion is that we need to resurrect “middle level” Recognition programs.”*

***Manager/Supervisor***

## **Nomination Process**

Company XYZ’s incentive travel award program is based on a nomination process in which any employee can nominate an individual or team. In the past four years, the nomination process was simplified to encourage more nominations and to spread the nominations out over the entire year. Company XYZ utilizes an annual award program, with the nomination period deadline around the middle of January. Historically, most nominations have been submitted during the last quarter of the year. In most cases someone else nominates an individual or team, but in some team nominations a member of the team serves as the nominator. After a nomination is submitted, the nominator’s immediate supervisor and the manager, regional manager or director of the department is asked to comment on the nomination. These comments help the reviewers identify top-performing employees who are deserving of the award.



## Potential Pitfalls of the Nomination Process

“Success” of a nomination-based recognition program is only as good as the submitted nominations, making this part of the program one of the key design considerations once appropriate award categories are identified. Several issues were identified by Company XYZ employees that prevent them from submitting nominations. Addressing these pitfalls may assist other organizations in increasing the number of submitted nominations.



### Potential Pitfalls of the Nomination Process

- “Not my role” (Who is eligible to submit)
- Not understanding what is nomination-worthy
- View nomination process as too difficult
  - Not understanding what details to include
  - Other priorities leave no time for nominations
- Disenchantment with program (feel it doesn’t apply)
- Inconsistent management support of program

**“Not my role” (Who is eligible to submit):** Company XYZ employees (including past award winners) lacked awareness of who was eligible to submit a nomination. While all employees are eligible to submit one at Company XYZ, qualitative feedback indicated that many employees feel that the nomination process is not part of their position and that it is something that should come from a managerial or supervisory role. A related issue at Company XYZ is the belief that the profile/status of the nominator influences whether or not a nomination wins. Several employees believe that nominations from individuals with a “high profile” are given more weight in the selection process. Organizations considering a similar program will want to identify up-front who is eligible to submit a nomination. Given different support levels of managers/supervisors at Company XYZ, organizations may want to consider requiring one nomination from each manager/supervisor.

***Not understanding what is nomination-worthy:*** Understanding what is nomination-worthy is a key part of the process and involves multiple aspects. As outlined earlier, this aspect is a key area that must be clearly communicated. Managers/supervisors may choose not to nominate someone if they have a hard time deciding how one person is more deserving than another. Program design should outline whether nominators are limited in terms of how many nominations they submit. A trade-off must be made to determine if quality or quantity of nominations should be the focus; and if quality is the focus -- clearly defining this for nominators. One of the challenges at Company XYZ related to this matter is getting (potential) nominators to realize that there does not necessarily have to be a “single event” that drives the nomination if it is an employee that has done something well for a long-period of time. A past winner specifically stated that even for those employees who have exceptional performance over a long time period they have a hard time isolating a specific or significant enough example to nominate them. Company XYZ highlights past winners of their program as part of the promotion of the program. It is recommended that communications as part of the companywide recognition of winners should share the story behind the nomination. In addition to contributing to the recognition

*“It seems that the same people/groups are entering nominations each year. I think there are some directors and managers that have people that do exceptional work, but they do not take the time to nominate them for awards like this.”*

***Potential Winner***

*“I think many employees have just given up on the idea of ever being nominated or getting a chance to win this award. To promote the program is fruitless if no one feels they have a chance to win.”*

***Potential Winner***

*“I see many coworkers who consistently make outstanding contributions day in and day out. In sum, those contributions add up as worthy of a nomination, but I struggle with isolating specific and significant enough examples to make the nomination reason seem worthy.”*

***Winner***

*“I feel that too many folks still think that it has to be one outstanding contribution. We need to do a better job of getting the word out that employees making long term contributions can also be nominated.”*

***Nominator***

*“We need mentors to assist with the process. Most people don't feel comfortable with their ability to put together a good nomination and we are missing out on a large number of quality people that should be winners.”*

***Nominator***

*“Tends to be done by management staff, who may be in a better position to understand exactly what is being looked for. Looked at another way, perhaps it's a management responsibility to ensure appropriate recognition.”*

***Non-Winner***

*“I think my advice would come from our lessons learned 1. Make sure the logistics of the nominating process are an overall enabler and not an overall barrier to securing a wide array of nominations from all areas of the company, excluding the Sales Team, perhaps, if they have travel award programs of their own. 2. Make sure the logistics of the nominating process encourage recognition of individual performance along with team/project team performance. 3. Get consistent, championing support across the executive team.”*

***Company XYZ Executive***

experience, these communications can be useful in providing other employees examples of what is nomination-worthy.

***View nomination process as too difficult:***

Difficulty associated with completing the nomination process can involve (a) not understanding what details to include and (b) the time it takes to complete the process. Company XYZ modified the nomination process to make it easier and less time consuming. Importantly, this change in part addresses comments suggesting that many employees are fearful of the writing process,

and thus become discouraged. A sample nomination form can be found in the appendix. As shown, the current nomination form includes only two open-ended questions that require written responses from the nominator: (1) Describe the contribution/achievement as it relates to the category selected and (2) What makes the contribution/achievement extraordinary and unique? Regular duties and responsibilities are viewed as a priority over submitting a nomination at Company XYZ. Therefore, providing electronic reminders (calendar events, emails, etc.) at specific times may encourage employees to submit a nomination. As outlined previously, sharing examples of winning nominations along with details regarding the type of data/information to include is likely to encourage more nominations.

***Disenchantment with program (feel it doesn't apply):*** If employees feel the program and specifically winning is unattainable they are very unlikely to submit a nomination. Comments from managers and non-managers at Company XYZ suggest that organizations need to determine whether or not managers should be eligible for the award. If the same employees repeatedly win the award this becomes a strong deterrent, especially for employees who were previously nominated but did not win (this problem can be based on fact or perception). A decision on whether or not to include a “waiting period” for repeat winners is also needed. Additionally, the feeling that certain winners were not as deserving as others can also lead to disenchantment with the program.

***Inconsistent management support of program:*** As noted earlier, the support of managers/supervisors plays a key role in the opinions and involvement of other employees. Ensuring similar focus and support across managers/supervisors is important to ensuring the nomination process is applied consistently and all nomination-worthy employees are recognized. In part this relates to providing communications and training that highlights how the nomination itself is a great way to recognize and motivate employees. Comments suggest that in certain areas of the company the nomination process is censored and/or political in who is allowed to nominate someone, thereby limiting the number of nominations. Achieving greater consistency in how managers explain the nomination process and encourage employees to submit nominations may lead to more submissions.

**Important Information to Communicate to Someone  
Who Has Never Submitted a Nomination -  
Perspectives at Company XYZ**

- How easy it is to nominate someone
- The nomination itself is a great way to recognize and motivate employees
- The amount of time it takes to complete a nomination
- The amount of detail to provide/sharing examples of winning nominations
- What is worthy of being nominated

*Additionally, the use of a “nomination mentor” may further assist those who have never submitted a nomination. While XYZ does not have a “mentor” program, this has been successfully used by external programs that use a nomination process.*

## Other Nomination Process Design Considerations

Additional nomination process design considerations include decisions on (1) the importance of the timing of nomination submissions and (2) providing incentives to nominators.

Despite promotion throughout the year, many of the nominations are not submitted until the last quarter of the year at Company XYZ. This phenomenon is similar to sales-based incentive programs where performance may be increased just prior to the deadline in an attempt to win the award. However, in a nomination-based process, the primary concern is that certain nomination-worthy accomplishments from earlier quarters may be overlooked or forgotten by the end of the year. Company XYZ has considered or attempted several solutions to increase the number of submissions earlier in the year and feedback was solicited from managers/supervisors and past nominators regarding this issue. In general, neither group views the timing of the nomination submission as an important issue. The consensus was that the focus should be more on the quality and quantity of nominations than timing of submissions. Both groups believe that since the award is given on an annual basis many people wait until near the deadline to submit the nominations. Submissions may also come in closer to the deadline as project-based nominations wait for additional data to provide support for the nomination. Nominators supported the notion of using incentives to encourage more nominations, including “early bird” nominations. However, Company XYZ previously implemented this without a noticeable change in the timing of submissions. Organizations may want to address the use of deadlines for nomination submissions and whether or not incentives should be used for nominators in the program design process.

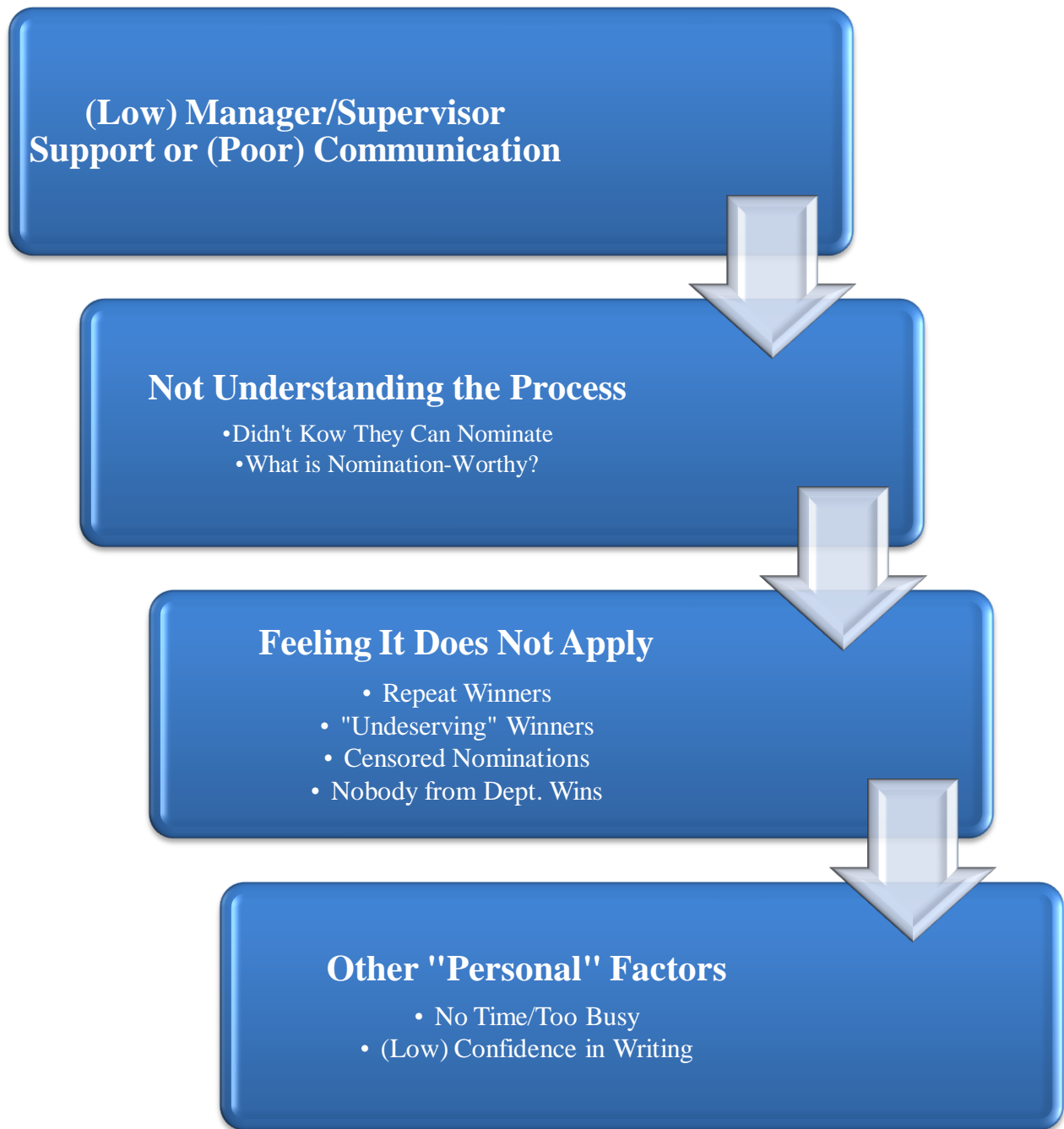
*“I have anxiety around the fact we know that good things are not just going on the last two months and it is truly recognition for projects along the way that we are missing and we are always anxious about that. I always tell people that all the award winners are clearly deserving and I feel very good about the nominations, selection, etc. but what keeps you up at night is that there are other great things going on that you don't know about and we have to uncover those.”*

**Company XYZ Executive**

### Possible Solutions

- Quarterly gift card drawings for nominators (XYZ didn't see a noticeable change)
- Considered selecting a quota from each quarter but eliminated this concept due to a concern that they might not be able to justify winners in Q1 as better than non-winners in Q4
- Made nomination process easy to start and allow for completion at a later date

**Figure 3: Potential Issues That Can Lower Nominations**



## Evaluation & Selection Process

Company XYZ's evaluation and selection process was also changed within the last four years. The process previously used an external, third party organization who scored the nominations. The changes have placed the responsibility of evaluating and selecting the award winners on the CEO/President and Senior VP/Director of Human Resources. Importantly, the two executives feel they do not put as much focus on the writing part of the nomination because they have a good understanding of what goes on in the organization and what is a "great



accomplishment or a great project" that should be moved forward for further discussion.

The evaluation and selection process occurs during a two-week period following the close of the nomination process. During this period, the two executives independently classify the nominations on a "green-yellow-red" basis. (*Green* = strong nomination, likely a winner; *Yellow* = need more information before making a decision; and *Red* = not a strong nomination, likely a non-winner). After independently evaluating and sorting based on this system, the executives meet and compare lists. If a supervisor, manager, regional manager or director provides negative feedback on a nomination, it is typically placed in the "red" (non-winner) classification. Input from other Company XYZ executives is also sought including their rankings and comments on nominations in their area and compared to the two executives own ranking/classification system. However, variation in supervisor comments and executive "interest" in the program again presents a challenge in evaluating nomination feedback. In some cases this requires additional work on the part of the two executives to obtain insight.

Each year, approximately 60-70 winners are selected from the submitted nominations. Nominations compete with other nominations in the same category. No formal quota system by category or team versus individual nominations exists so it is possible for multiple winners to be chosen per category, or there may be no winners in a particular category. The executives try to ensure that all areas of the organization are represented so that when winners are announced it passes the "face test." While feedback was shared by the external reviewer under the old system, the executives do not share feedback/scores under the new system in part because the number of

nominations would make this very time consuming, but also because they want to avoid the “beauty contest” that the old system created.

**Key Lesson:** The evaluation and selection process must be carefully done to ensure that the program does not become a “writing contest.” Ultimately, at the end of the day non-winners must feel that the winners deserved to be selected even if they are disappointed they did not win.

### Key Design Considerations in Evaluation/Selection Process



#### Key Design Considerations in Evaluation/Selection

- Who will be involved in evaluation/selection?
- What criteria will be used?
- Transparency of the process/Feedback given?
- Will there be waiting periods for repeat winners?

*Who will be involved in evaluation/selection?* Organizations must decide who will be responsible for the evaluation/selection process. Will an external, third party reviewer be used or should the entire process be internal? If an external reviewer is used to what extent is their evaluation weighted? Will an internal committee ultimately make the final decision on which nominees are selected as award winners? Who from an internal perspective should be involved and to what extent? Should a non-management perspective be included, possibly from past winners?

Company XYZ previously used an external, third party reviewer to score nominations. By bringing the evaluation and selection process in-house, Company XYZ has been able to increase the number of submitted nominations and more easily recognize the “great things” going on in the organization. The evaluation/selection process is rather involving for Company XYZ and primarily is the responsibility of two individuals (CEO/President and Senior VP/Director of HR). Therefore, this exact setup may not be scalable to larger organizations.



Instead, larger organizations interested in using a similar approach may choose to shift evaluation and selection responsibility to the business unit or another level within the organization. Some of the interviewed managers/supervisors indicated that including more people in the evaluation process and possibly even an employee vote as a certain percentage may help appease some of the employee concerns about perceived fairness of the process. Past winners, non-winners, and potential winners also suggested that a group of peers should be involved in the evaluation and selection process. This would be in line with the practice employed at other organizations with similar programs. These companies include previous winners on the evaluation team to gain a non-management perspective in the evaluation process. Additionally, the involvement of peers creates a greater level of transparency and therefore trust of the process.

***What criteria will be used?***

Another important issue is what criteria should be used in selecting the

*“ Make sure that the selection of the winners is carefully done. Creating a program that is simply a "writing contest" that is not substantive is a disaster. At the end of the day, some employees will feel disappointed that they did not win, but they must feel that those that did win were deserving. ”*

***Company XYZ Executive***

*“Help us better understand how that is done, to start with. The fact that I can't recall off the top of my head who does the evaluation and selection, and how it is done, tells me it's not well-publicized.”*

***Potential Winner***

*“The main criticism is that the same people are nominated and selected all the time. Said differently, there persists a mentality that folks in certain positions or departments feel they are entitled to win the award annually and the viewpoint that these employees hold "season tickets" for the trips is prevalent.”*

***Manager/Supervisor***

*“The problem is that this whole process seems very random and subjective to the masses of employees (and myself). Many speculate what type of nomination has a better chance---but not so much based on content. I've personally questioned exactly what constitutes a winning nomination. I think most employees have a general sense of disdain for how random and subjective the winners tend to be. I'm not personally sure as to whether this is perception or reality---but either way, it would be helpful to bring more clarification and definition around the process and criteria used for determining winners.”*

***Nominator***

*“Consider providing/sharing some of the criteria used in evaluating and selecting the winners. The limited information provided regarding the nominations/winners can cause negative effects on the non-winners because they have no understanding of why another nomination was selected versus theirs.”*

***Nominator***

award winners. Decisions regarding criteria should keep in mind the desired outcomes, values, and associated program award categories. Unlike sales-based programs, objective data like sales performance may not be appropriate. While cost savings and revenue generation may be included as part of criteria, these alone are unlikely to be sufficient. Placing strong emphasis on the writing aspect of the nomination is likely to discourage employees, particularly those who are not confident in their writing ability. Some organizations with similar programs use a grid as part of the evaluation process that has “duration” (one time this year – to – ongoing) and “impact” (isolated/department – to – business unit – to – companywide) as the two coordinates. This allows the evaluators to rank each nomination based on these two attributes and provides some more “objective” rationale for the final decision. Importantly, any criteria used must result in the selection of winners who upon review and scrutiny by others will pass a face test.

*Transparency of the process/Feedback given?* Company XYZ’s new evaluation and selection process does not provide feedback to nominees or the nominator. However, qualitative feedback indicates that a more transparent process could lead to an increase in nominations and engagement with the program. While certain responses at the managerial/supervisory level recognized that the organization may not want to make the process completely transparent, responses across all interviewed groups were adamant that more information about the evaluation and selection process needs to be shared. Some of the negative issues and opinions of employees are believed to be a result of the fact that employees are forced to make observations about why someone wins since it is not transparent to them what is involved in making the decision. Company XYZ has in part moved away from providing feedback because (a) under the previous system the feedback that was provided by an external evaluator created a “beauty contest” that focused on writing ability and presentation (graphics, etc.) and led to fewer nominations from across the organization and (b) under the new evaluation process, the number of nominations has increased and logistically, it would not easily allow the two evaluators to provide feedback to everyone.

Importantly, as shown at XYZ, organizations will need to make a decision regarding the extent to which they want to share information about the evaluation/selection process and/or provide nomination feedback. A review of external programs also suggests that organizations strongly consider providing nomination feedback. As outlined earlier, some of these other

organizations use a “duration” and “impact” grid to provide rationale for their decisions. Company XYZ and other organizations may want to consider this as part of their evaluation process given the ability of a similar evaluation grid (a) to create more objective evaluations and (b) provide a basis for feedback to both winners and non-winners. Additionally, as noted earlier, the inclusion of peers may also lead to greater overall transparency and trust when it comes to the evaluation/selection process.

*Will there be waiting periods for repeat winners?* Program design should also take into account the potential for repeat winners. Non-winners and potential winners are likely to have the biggest issue if they see the same individuals/teams constantly winning the award. Company XYZ does not utilize any waiting period, however, employee feedback would suggest this is something that should be considered as part of the design process. Several comments suggested that an individual should not be allowed to win more than once within a certain time period to overcome the issue that certain people always seem to win; although some of these comments noted this would not be fair to those who truly were achieving excellence every year.

### **Measuring Program Success**

Company XYZ executives (in particular the CEO and VP of HR) are highly involved with the incentive travel award program. Of note, this explains why they see little need for more formal tracking of the return on investment of the incentive travel award program. In addition to serving as the two primary evaluators of all nominations, the executives spend time each year evaluating the award categories to make sure they reflect XYZ’s mission, vision, and shared values. They are also heavily involved in the promotion of the program and at times actively seek out nominations based on what they know are “good things” occurring at XYZ.

Given their vested interest and involvement with the program, the executives at XYZ do not feel they are “chasing” any specific/formal metrics with this award program. At the end of the day, they want to be able to feel that they are recognizing “stuff that is going on that is good” in the organization. They would not want to take sole credit for employee retention, engagement, etc. from this program because there are other informal and everyday recognition programs which recognize smaller things on a daily-basis as well as other employee appreciation events.

In general, executives and incentive program managers track the number of nominations submitted and use that as a key measure of success since a major program objective is recognizing the accomplishments of their employees. However, in that certain award categories and the associated nominations provide quantifiable data (i.e. saved the organization significant costs, generated revenue growth from existing revenue streams, identified an idea leading to a new product/service) it is possible and would be easy for Company XYZ to calculate the financial impact and return on investment for at least those areas of the program where data is readily available. Based on the qualitative and quantitative research there are other non-financial effects the incentive program has in terms of impact on commitment to the organization, job satisfaction, motivating employees to do their best, employee morale, employee engagement, and likelihood of recommending Company XYZ. These organizational culture factors are likely to also lead to cost savings in terms of employee turnover, new hiring/training costs, and more.

Similar to many recognition and reward programs, measurement and return on investment of this particular program are not tracked in-depth. Although, Company XYZ has opportunities to extrapolate the program's financial impact, the executives' involvement in the review process of the program itself and all nominations means they already have enough information to know the program is accomplishing the desired objectives. Similarly, organizations considering a nomination-based incentive travel program will want to focus on their key objective(s). Company XYZ focuses on recognizing and honoring employees for their accomplishments which benefit the company. Given the importance of the nomination process, tracking changes in the number of nominations and "quality" of employee accomplishments are likely to be key metrics. Tracking other non-financial impacts through regular employee surveys including job satisfaction, morale, engagement, likelihood of recommending, etc. after implementing a similar program may provide a more complete picture on the impact of these types of programs.



### Considerations in Program Measurement

- Organizations should match metrics to program goals
- Direct financial measures may be difficult to measure
- This type of program will likely have impact on non-financial issues related HR (retention, morale, etc.)
- Tracking nominations is likely to be a key metric

**Key Lesson:** It is unlikely that objective criteria will be involved in the selection process of a nomination-based program. Therefore, measuring financial ROI is more difficult. Tracking the number of nominations, type of nominations, and long-term tracking of winners and non-winners (length at company and other measures) may provide more insight. Non-financial data on job satisfaction, morale, engagement, likelihood of recommending, and other organizational factors are also recommended as metrics.

### Destination Selection

Company XYZ carefully selects a destination that they believe is a location the winners will not have traveled to on their own -- this provides “a trip of a lifetime” experience. An important consideration is the presence of varied activities, proximity to restaurants, night life and other factors that allow them to pamper the winner and their guest. As outlined later, the impact the program has on the local economy of the destination stems from the inclusion of free time and activities outside of the hotel which lead to further spending on tours, local restaurants, and stores. Input on the destination is obtained from (a) the CEO and external consultant as well as (b) past winners who provide feedback after their trip and input on potential destinations.

*“We want to select destinations that most would not travel on their own. When selecting the destination/resort, we take great care in making sure that there are plenty of options when it comes to activities that are unique to the area. Other considerations include the close proximity to restaurants and night life for the attendees to enjoy during their free time.”*

***Incentive Travel Program Manager***

### **Sample of Past Destinations**

- Boston, MA
- Charleston, SC
- Chatham, MA
- Colorado Springs, CO
- Hot Springs, VA
- Lake Buena Vista, FL
- Las Vegas, NV
- Los Angeles, CA
- Marco Island, FL
- Miami, FL
- Montreal, Canada
- Naples, FL
- New York, NY
- Puerto Rico
- San Antonio, TX
- San Diego, CA
- Scottsdale, AZ
- Vancouver, BC

### **Why Incentive Travel?**

Incentive travel, as part of an overall recognition program, has many positive aspects that at least anecdotally appear to have a lasting impact on employee engagement, morale, and performance. In particular, an incentive travel award program tends to have the most impact on award winners compared to its impact on other employees. However, an important qualitative research finding suggests that with proper communication and engagement from management/supervisors, the program can have a large impact on more than just the award winners. Nearly all nominees initially feel excited, honored, and appreciated just for receiving the nomination; in part because they have an opportunity to win a trip. Additionally, nearly half of the potential winners (eligible employees who as of yet have not been nominated) indicated that they are motivated by the program to improve their performance. While these qualitative findings demonstrate the potential impact within in the sponsor organization, this only represents part of the impact of incentive travel. Suppliers and the event destination also benefit from the use of incentive travel. Qualitative feedback was collected from multiple perspectives to understand the assortment of benefits from this type of award program. Importantly, at Company XYZ, incentive travel is a central part of many employees' descriptions of the program and all internal stakeholders feel it is a program strength. Suppliers/businesses from destination cities were also contacted to better understand the impact incentive travel has on the destination and its local economy.

## Executives & Program Managers' Perspective

The executives and award program managers identified reasons Company XYZ utilizes incentive travel. Of note, travel is the only reward the organization has considered during the time the current executives have overseen the program. Major benefits of incentive travel from the perspective of those who oversee the program include:

- **Lasting Impact/Unforgettable Experience:** The organization spends significant time selecting a destination in order to make the reward “a trip of a lifetime.” Importantly, the promotion of the destination, time away from work, and the experience of the trip provide a lasting memory; one that outlasts the memory of a monetary award.
- **After-Effect:** Feedback gathered by Company XYZ from winners as well as supervisors indicates the program creates a buzz when winners return from the trip indicating the experience has an after-effect on other employees. This provides another benefit since winners can more easily talk about the trip with others than if they had received a monetary award.
- **Award Presentation -- Recognition in Front of Other Winners & Executives:** Incentive travel allows the organization to recognize winners from multiple locations in front of the each other as well as executives of the organization, adding to the overall experience.
- **Rewards the Spouse/Significant Other:** Company XYZ recognizes the important role the employee’s spouse/significant other plays in the winner’s success by including them. In certain cases employees indicated that their significant other motivates them to work harder in order to win again because the significant other wants to go on another trip.

*“While we believe that a monetary gift would be appreciated, we feel that it would be soon forgotten. We want this honor to be remembered and talked about for years to come....we feel as though we have been very successful with travel as an incentive. Rewarding our employees with an actual trip offers them an experience that they may not normally have the opportunity to have. Feedback from past winners has actually stated that “this was a trip of a lifetime”. We target destinations that have an essence of being elite and luxurious. We want the recipient of our award to have a life time of memories. With amazing destinations and luxurious accommodations, we feel we accomplish this with travel.”*

***Incentive Travel Program Manager***

*“Our primary reason for "travel" rather than cash compensation for example, is our interest in recognizing these employees in front of the other winners as well as an opportunity for them to meet members of the officer team. This also recognizes the winner in the eyes of their guest.”*

***Company XYZ Executive***

As outlined above incentive travel for the recognition program offers a desirable experience for the award winners and is thought to have an impact that lasts beyond the recognition event.

### **A Manager/Supervisor Perspective**

Managers/supervisors expressed mixed feelings about the impact the program has on the employees they manage/supervise. While many commented on the positive impact it has on winners, others suggest that a majority of employees feel the program does not apply to them. In part these responses stem from the design of the program prior to recent changes to the award categories and other aspects to make the program more inclusive.

Overall, managers/supervisors believe the program has the most impact on those who have won the award. Managers/supervisors feel that the use of incentive travel as the reward creates a positive and long-lasting effect on those who win. Managers/supervisors believe that employees (especially past winners) strive for exceptional performance because they want to be recognized and go on the trip (again). However, for those nominated that do not win (especially repeat individuals), managers/supervisors noted that these non-winners tend to be negatively vocal about their disappointment. While the overall goal is to get them to focus on the positive side of being nominated and the recognition that provides, managers/supervisors oftentimes find it difficult to get these non-winners to focus on that aspect. As discussed in other sections, managers/supervisors as well as others suggest

*“For those nominated and those selected, it increases their morale by making them feel noticed and valued. Unfortunately, for those that are not nominated and/or selected (that are consistently going above and beyond their normal job function) it can have the opposite effect. It is important that we identify and recognize as many high performing employees as possible, and improve our systems to reduce nominations that others would consider unworthy or questionable. It is a difficult situation to manage, and something we are trying to work on improving each year.”*

**Manager/Supervisor**

*“I believe this program has a very positive impact, especially since it was restructured a few years ago. At that time, I believe the perception was that unless you were involved in a very high-profile project or activity, there was very little chance of being selected. I think this perception has changed, and employees and nominators now feel that their nominations at least have a more equal chance of being selected.”*

**Manager/Supervisor**

*“I believe that the program is an effective tool for recognizing great achievements. The nomination alone shows teams and individuals that their efforts are appreciated.”*

**Nominator**



limiting the number of repeat winners by implementing a waiting period to help reduce non-winners' negative viewpoints.

Additionally, managers/supervisors believe that many employees feel they do not even have a chance at this program and that it is not for them. Certain managers/supervisors also stated they feel the program does not apply to their area. Many indicate that because employees they supervise do not fully understand the program they make quick judgments about why certain people win. Managers/supervisors believe certain employees view it as a program only for management (some later suggested that management should not be eligible to win). Additionally, managers/supervisors believe there remains a large perception among employees that only project-based teams win -- specifically employees on high-profile and money saving projects. However, this theme is a direct opposite of many of manager/supervisors' program descriptions as inclusive/companywide. Based on this line of responses, it is evident that certain stigmas from the old program still exist. Importantly, organizations considering implementing a recognition-based incentive travel program can incorporate these lessons into their initial design process.

### Winners' Perspective

Not surprisingly, the incentive travel recognition program has the greatest impact on award recipients. In qualitative interviews/forums, winners indicated the program increases their satisfaction with the company and motivates them to work harder after the trip. A sequential process of winners' feelings regarding the program (1) when they first learned they were nominated (2) when it was announced they won, (3) while on the trip, and (4) after returning from the trip are discussed below. In combination, these comments demonstrate the benefits incentive travel can have on employees who win the award both at the time of announcement, during the trip, and importantly the potential lasting impact and after-effects of similar programs.

**Figure 4: Initial Feelings of Winners After First Learning They Were Nominated**

Appreciative Contribution **Excited** Hard Work Honored  
Job **Nominated** Peers Proud Recognized  
**Surprised** Wonderful

**When They First Learned They Were Nominated:** All winners, and all but a few of interviewed non-winners, indicated that when they first learned they had been nominated for the award they were honored, excited, proud, thankful, happy, and/or felt special. They appreciated that someone had taken the time to recognize their efforts and hard work. A few of the employees indicated they did not expect to be nominated and were surprised. Based on these responses, *it appears that at least initially, the program boosts employee morale when nominations are announced regardless if they end up winning or not.*

**When It Was Announced They Won:** Company XYZ waits to announce the winners and destination approximately two months after the nominations have closed. During this time it appears that most nominees feel appreciated and honored to even be nominated. Initial feelings after nominees find out they won the award and would be attending the trip ranged from feeling surprised, appreciated, and excited to being ecstatic, shocked, and euphoric. A few winners noted that

*“Just to be nominated gave me a great feeling of satisfaction. I felt that I was finally getting some recognition that I had deserved for years. When I found out I won I was ecstatic. Not only did I feel that I had finally achieved some recognition for myself, but also for others in my position as we hadn't ever seen any of us even nominated before.”*

**Winner**

*“I was truly a trip of a lifetime. We still have pictures and mementos of the trip all over the house and our computers have screen savers of those same pictures. We still talk about it all the time.”*

**Winner**

*“I was treated like a queen and it was way more than I expected! I really liked hearing from my husband how great the company was to award this and have him be a part of it! Just having him there and saying how great it was, really made me feel proud...since it was a feeling of accomplishment for us both in a way. It's nice to have him be excited as I was and verbalize how great it all was. My husband was so enthused about the trip that he actually bragged for me, when we got home! Which is so much better in my mind than ME telling people I won the award and how fantastic the whole experience was. He was like an agent for the experience!*

**Winner**

*“There is a feeling of satisfaction that lasts knowing that other people recognize your hard work.”*

**Winner**

*“After returning from the trip I felt this feeling of being refreshed and thinking this is a great company to be employed by I will continue to give 100% I plan to retire from XYZ.”*

**Winner**

*“After returning I feel proud to work at XYZ and happy to share all that went on during the trip with others and try to get them inspired.”*

**Winner**

winning positively changed their opinion of the organization and program since their previous perceptions centered on the belief that they did not have a chance of winning.

***While on the Trip:*** Winners felt very appreciated and honored on the trip and many felt like royalty, excited, pampered, and even spoiled. Some mentioned the attention to detail on the trip was beyond their expectations, made them feel special, and created memories that will last a lifetime. Others noted that the opportunity to hear about others' achievements, interaction with executives, and inclusion of a guest of their choice enhanced their experience on the trip. Companies who consider implementing a similar program are advised to pay attention to details and other aspects that contribute to the creating a memorable experience.

***After-Effects of the Program:*** Importantly, winners indicated that after the trip they are motivated to work harder because their satisfaction with the company increased after receiving the recognition. Many stated they always want to do their best, not only because they would love to go on another trip, but also because they felt so appreciated to be recognized in that manner by the company. Several commented that they were excited to share their experience with others and want their co-workers to have a similar experience. These comments support the executives/program managers' opinions that incentive travel creates a buzz within the company after the trip and has long-lasting after-effects on the winners and spillover to others.

### **Non-Winners' Perspective**

Non-winners tend to have mixed feelings about the incentive travel award program. While many feel honored and appreciated when first nominated, feelings change after finding out that they did not win. While a few non-winners still feel appreciated, many of their feelings shift to neutral/indifferent, disappointment, or strongly negative opinions of the program. For those with strong negative opinions, the nomination in itself "holds no weight once it passes" because they feel they have little chance that they will ever win. These comments reflect the downside of an incentive travel program which can only be awarded to a limited number of employees each year. Those who are nominated and do not win have the initial excitement and appreciation feelings fade, especially those who are nominated multiple times but have not won. As noted earlier, organizations considering this program may want to consider limiting the number of consecutive times an individual can win the award. Additionally, other programs should be in place to help show appreciation and recognition to employees on an everyday basis. While

Company XYZ chooses not to provide feedback to any nominees, organizations may want to consider providing some feedback to non-winners to decrease the demotivation after learning they are not selected as award winners. Some organizations may also want to consider providing smaller awards or other forms of recognition to these nominees.

*“When I first learned of the award by e-mail notification, I was surprised and excited because I really didn't know at that point that what I do on a daily basis was appreciated or even known by so many folks. To be honest, it made me cry as I read the reason why I was being nominated and in the category that I'm nominated in.”*

**Non-Winner**

*“I feel that being nominated holds no weight, and once it passes, it does you no good.”*

**Non-Winner**

*“I was excited to learn of the nomination. The nomination showed that others within XYZ recognized the work effort that I made on these projects, and considered these contributions to be significant to XYZ. After learning I didn't win, I still feel good about the recognition from others within XYZ for the nomination, but I don't feel the same excitement. The excitement comes from the potential of winning the award which obviously isn't there anymore. However, even if I was nominated again the excitement wouldn't be there as I realize the potential to win this award is very slim.”*

**Non-Winner**

**Figure 5: Initial Feelings of Non-Winners After First Learning They Were Nominated**

Appreciated **Excited** Happy Hard Work Honored  
Makes Peers Recognition **Recognized** special Surprised  
Team

## Potential Winners' Perspective

Company XYZ's incentive travel recognition program also appears to have varying impact on those who have never been nominated but are eligible for the program. In part this appears to be due to inconsistent support from management in the different departments and employees who feel the program does not apply to them. However, about half of the interviewed potential winners indicated that the program encourages them to strive for better performance. Importantly, this shows that programs similar to XYZ's have the potential to impact more than just the award winners. These individuals tend to be in positions that they feel give them better chances of winning and/or have managers who are more engaged and supportive of the program. Those who feel little to no connection to the program indicate that organizations choosing to use a similar recognition-based incentive travel program must be careful in the program's design to make sure all employees feel that the program applies to them from the start. Management support and active participation by nominating and encouraging nominations from their area is likely to create a more positive environment and greater overall impact on all employees.

## Program Impact on Destination Economy

*“I think for the local economy it had a very large impact. Because in mid-May it was out of season for that destination, so the group pretty much took over the hotel there...the group did have a lot of free time and went out to local restaurants and bars and all of the local shops. So I think that had a big impact since normally it is such a quiet time there.”*

**Vendor on Past Incentive Trip**

*Not only do our groups [hotel services] benefit from them, food and beverage, but generally most groups are just meetings and don't do a lot of outside activities but this group in particular did quite a bit. Welcome gifts, the dinner on Friday night and they had florals from a local company that I work with and just the amount of activities they did in the local area [tours, etc.]. I know they used a lot of local vendors for welcome gifts and other things for their gala. I helped coordinate a couple of vendors because they would show me what they did as gifts and it opened up some new ideas and provided some new connections that I would use again that I otherwise might not have made that connection.*

**Vendor on Past Incentive Trip**

*“It was an opportunity for us to get down in front of different vendors and create some new relationships. That is usually how it works to get repeat business. It is all part of relationship building and if you have done a good job in the past and they have seen your work as a vendor on a past project.*

**Vendor on Past Incentive Trip**

Recently, the incentive travel industry has come under fire due to the economic situation of the U.S. economy and abroad. In part this stems from stockholders, the general public, and media questioning the value of incentive travel programs as firms face poor financial conditions. Often times the general public has perceptions that incentive travel programs are an over indulgence on the part of the organization. Importantly, incentive programs not only have an impact on the sponsoring organization, but also directly and indirectly impact many individuals and businesses in the destination city that either work for vendors or serve as suppliers on the incentive trip.

Several studies have recently shown the impact that incentive travel has on the U.S. economy. As outlined earlier, recent research and estimates have put the incentive travel industry's impact at \$13.2 billion or 4% of total travel in the US alone (PriceWaterhouse Cooper, 2010). Additionally, the U.S. Travel Association provides data that suggests travel expenditures have a 1.7 multiplier effect on travel/tourism including direct, indirect, and induced output.

## Budget & Financial Impact on the Destination Economy of Company XYZ's Program

Using budget information shared by Company XYZ regarding the 2009 and 2010 programs and qualitative interviews with vendors/suppliers, the local economy impact of the program was calculated. Averages are used since the percentage dedicated to various expenditure categories varies each year depending on the destination. On average the organization spends approximately \$2,300 per guest and has averaged 123 guests in each of the last two years resulting in an average of approximately \$283,000 in Company XYZ expenditures.

<b>Total Spending by XYZ in Destination Economy (no airfare/misc)</b>	=	\$216,000
<b>Multiplier Effect</b>	=	1.7
<b>Est. Direct, Indirect, &amp; Induced Output in Destination Economy</b>	=	<b>\$367,200</b>

### Company XYZ Award Program Budget %s 2009-2010

	2009 % of Total	2010 % of Total	Average % of Total	Average \$
<b>Food/Beverage</b>	34.0%	28.0%	31.0%	\$87,730
<b>Lodging</b>	18.0%	23.0%	20.5%	\$58,015
<b>Airfare</b>	18.0%	15.0%	16.5%	\$46,695
<b>Miscellaneous</b>	6.0%	9.2%	7.6%	\$21,508
<b>Entertainment</b>	1.8%	12.0%	6.9%	\$19,527
<b>Activities &amp; Ground Transportation</b>	11.0%	1.5%	6.3%	\$17,823
<b>Allowance</b>	6.1%	5.6%	5.9%	\$16,697
<b>Decorations (Awards dinner)</b>	2.5%	3.9%	3.2%	\$9,056
<b>Welcome/Memento Gift</b>	2.6%	1.8%	2.2%	\$6,226

As shown, nearly 76% (\$216,000) of the budget is spent in the local economy of the event destination. This spending directly impacts vendors like hotels, restaurants, tours, local transportation companies, stores, and others. Additionally, given the multiplier effect from indirect and induced spending by event suppliers and their employees the total estimated economic impact in the local economy of the destination is \$367,200. Food/beverage accounts for the largest expenditure of Company XYZ's program. Of importance, Company XYZ's program gives winners free time that results in additional spending at local restaurants/bars, stores, and other businesses during the trip. Based on qualitative feedback from past vendors on a Company XYZ incentive trip it is evident the program also has the potential to indirectly impact the local economy by establishing new business relationships between the hotel and these other vendors (event planners, floral shops, gift stores/artists, entertainers, etc.).

## Quantitative Results – Program Design, Implementation & Measurement

Following the extensive qualitative feedback a survey was conducted with employees from Company XYZ to provide quantitative data on the impact of the program. Survey invitations were sent to 350 employees and a total of 256 responded (73.1% response rate). A copy of the survey can be found in the appendix. The survey addressed the following areas:

- Program Communication
- General Perceptions About the Process and Program
- Impact of the Program
- Experience With the Program
- Respondent Demographics

### Key Findings

Key findings from the quantitative survey include the following. Charts for each area are presented on the following pages.

- **Winners Have More Favorable Views & See Biggest Impact:** Past winners have the most favorable perceptions of the process and program and indicate that the program has a stronger positive impact on all related survey statements. These quantitative findings support the qualitative findings which suggested the program likely has the biggest impact on winners. On a scale of 1=Very Negative to 5=Very Positive Impact, employees rated the incentive travel program's impact on several areas. While winners indicated a stronger impact on all areas compared to the overall sample, winners note an even stronger impact on employee morale (3.77 for winners). This jumps in impact from fourth to a near tie for first with commitment to the organization (3.78 for winners); ahead of job satisfaction (3.74) and motivating employees to do their best (3.71) which were second and third in analysis of all responses. Comparatively, employee morale is fifth for both non-winners (nominated, didn't win) and potential winners (eligible, but have not been nominated). Potential winners view the program as having a stronger positive impact on their likelihood of recommending the company as a good place to work compared to all other groups (ranked second by potential winners but fourth or fifth by all others).



- **Incentive Travel Is Memorable, Makes Winners Feel Important & Appreciated:** Similar to qualitative findings, the experience of winning and attending Company XYZ’s incentive travel trip is memorable (4.59; 1=Strongly Disagree to 5=Strongly Agree), makes the employee feel important (4.43) and appreciated (4.26). Interaction with the executives/upper management (4.14) also is a key aspect of the program. Additionally, while not as strong of agreement as the aforementioned aspects, there is agreement that going on the incentive travel motivates award winners to strive for the achievement again (3.97). In combination, these findings demonstrate that attending an incentive travel trip has several positive impacts on award winners beyond the event occurrence including motivating future performance.
  
- **Nomination Process Issues:** On a scale of 1=Very Poor to 5=Excellent, Company XYZ employees rated the level of communication about certain aspects of the program. Importantly, the overall purpose of the program is well communicated at Company XYZ. However, one potential area that Company XYZ may want to increase communications is “how to write a good nomination” (3.36). Assistance in writing nominations appears to be a key issue based on earlier qualitative feedback and the survey data, and one that even those who have nominated someone feel is not as well communicated as other program areas. “Nomination mentors” could be useful for assisting others in completing the nomination process, especially for those who have never submitted a nomination. Company XYZ employees also indicated their levels of agreement with several perceptual statements about the program and process on a scale ranging from 1=Strongly Disagree to 5=Strongly Agree. Overall, all statements had an overall agreement level above 3 (neutral). Employees indicated the “neutral agreement” that “the process is effective at identifying worthy nominees” (3.04), “writing a nomination doesn’t take that much time” (3.13), and “writing a nomination is easy to do” (3.21). In combination, these findings highlight important issues to address as part of the communication and design of the nomination process.

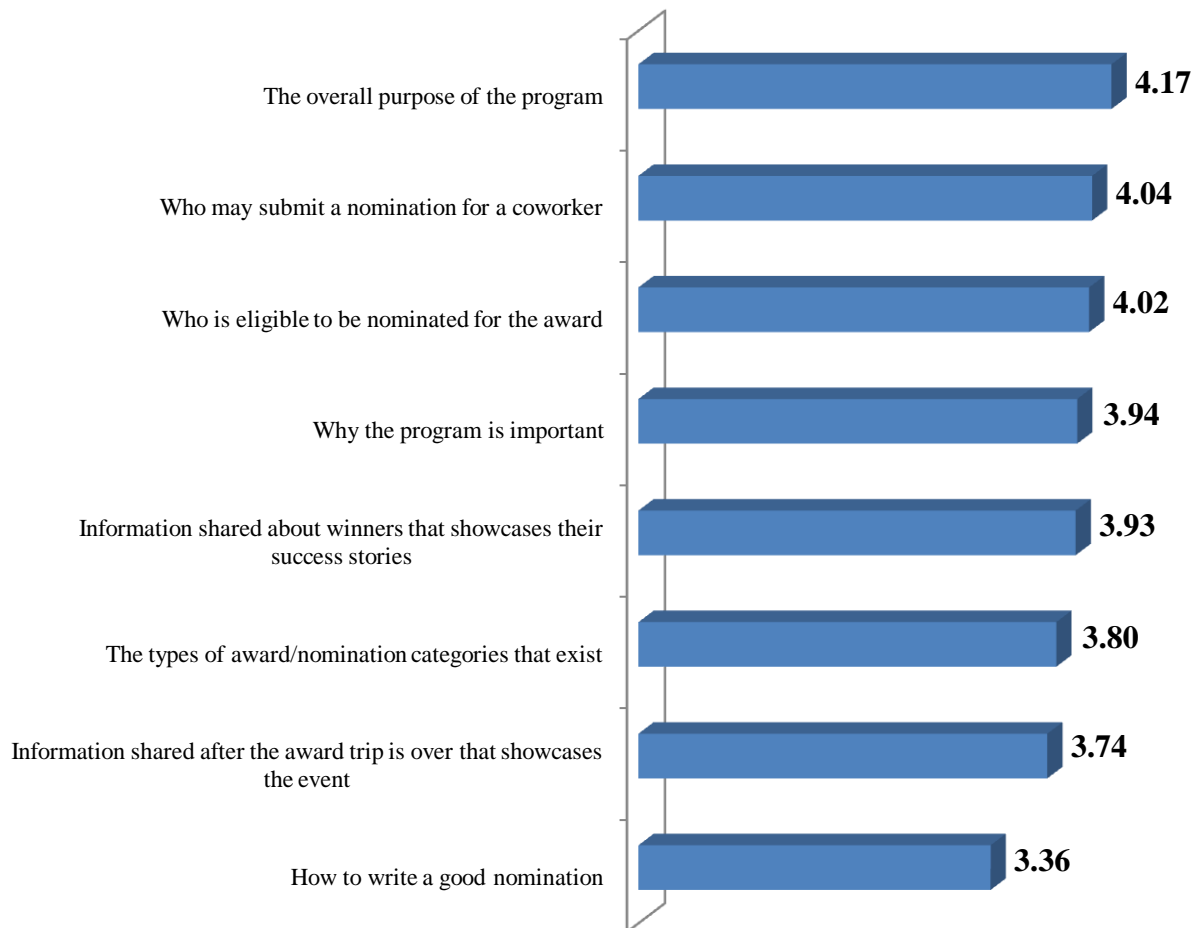
- **Support & Communication from Management:** While employees generally agree that managers/supervisors are supportive of the program (3.66; 1=Strongly Disagree to 5=Strongly Agree), the level of communications from managers/supervisors (3.26; 1=Very Poor to 5=Excellent) is rated significantly below communications from upper management (3.73) and HR (3.58). Qualitative feedback suggested varying management support as a potential issue with the program; one that is also likely to be impacted by how the program is communicated by managers/supervisors and supported by the correlation of these two variables in the dataset (.602). Organizations considering a similar nomination based program must work to ensure all managers/supervisors are supportive and dedicate similar levels of communication on promoting the program to their employees.
  
- **Award Categories & Nomination as Recognition:** Company XYZ's program is viewed as having a fairly good mix of award categories (3.75) suggesting that the changes have made the program more inclusive. Organizations considering this type of nomination-based incentive travel recognition program should carefully identify award categories that make the program widely inclusive. Additionally, Company XYZ employees expressed some agreement that "just being nominated is an honor" (3.71 overall). Even non-winners (nominated, but didn't win = 3.66) expressed this opinion, suggesting that the use of a nomination process can provide recognition in and of itself.

## Program Communication

On a scale ranging from 1=Very Poor to 5=Excellent, respondents rated the level of communications by program topic. The chart below includes all respondents; comparisons by respondent profile (manager/supervisor, nominator, winner, etc.) are presented later.

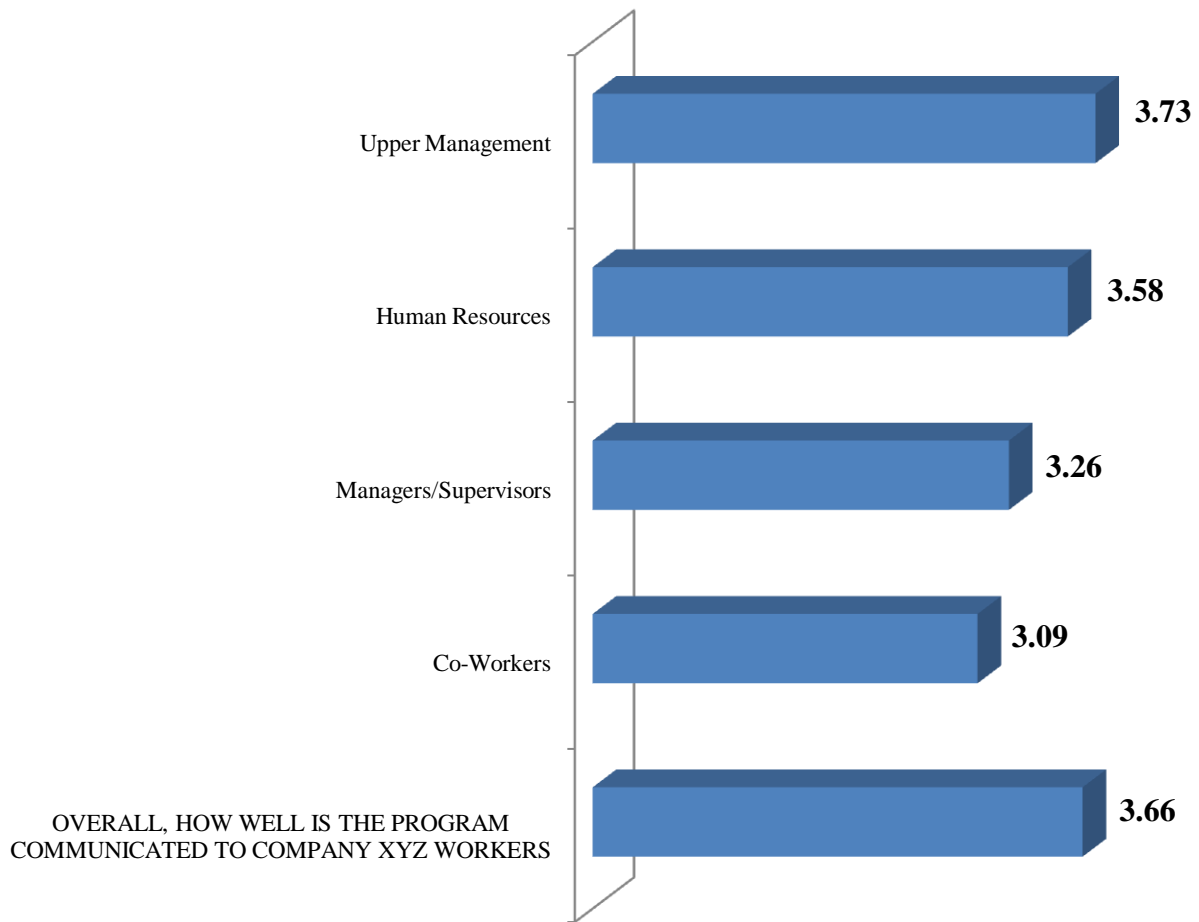
### Rating the Level of Communications By Topic

1=Very Poor to 5=Excellent



On a scale ranging from 1=Very Poor to 5=Excellent, respondents rated the level of communications from four groups plus the overall communication of the program. The chart below includes all respondents; comparisons by respondent profile (manager/supervisor, nominator, winner, etc.) are presented later.

### **Rating the Level of Communications From...** 1=Very Poor to 5=Excellent

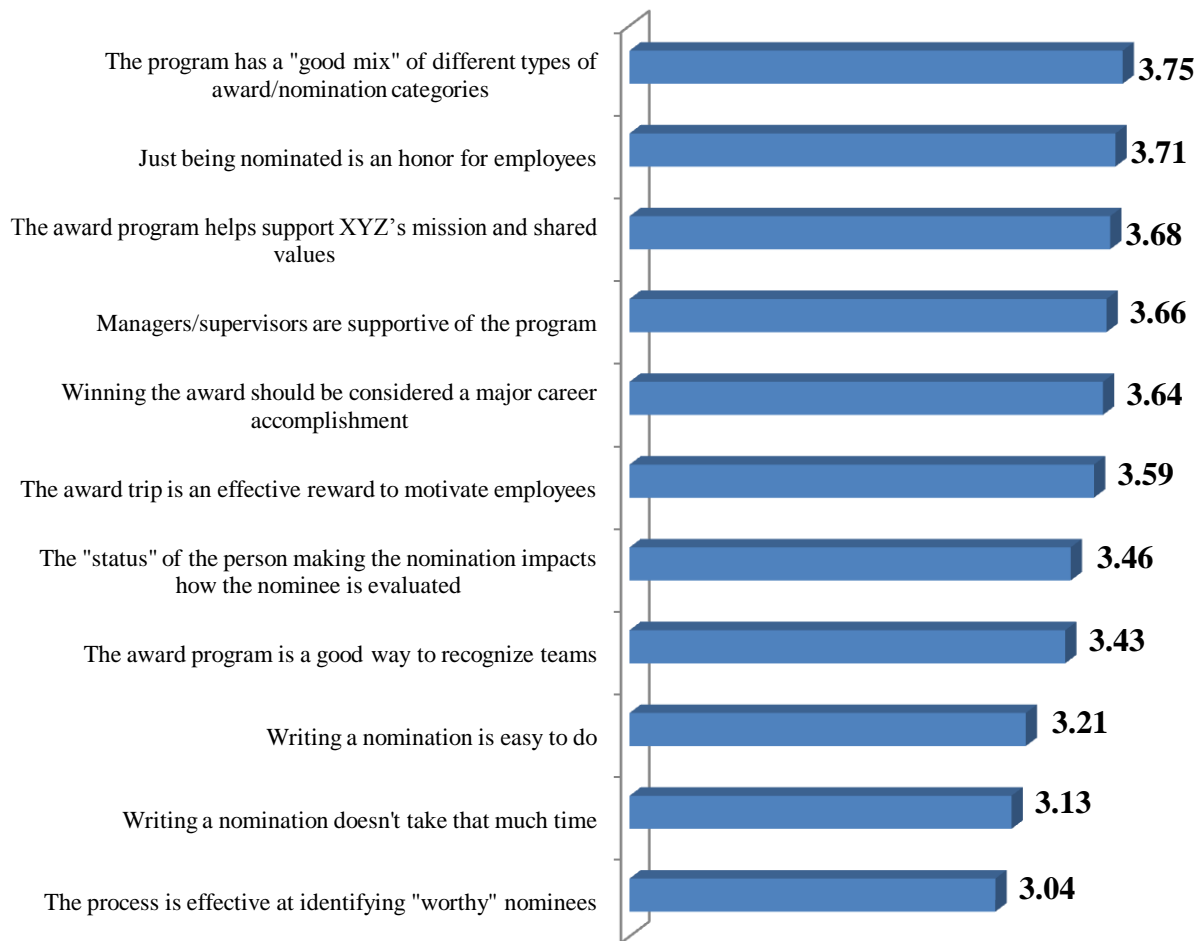


## General Perceptions About Process & Program

On a scale ranging from 1=Strongly Disagree to 5=Strongly Agree, respondents indicated their level of agreement with several perceptual statements about the process and program. The chart below includes all respondents; comparisons by respondent profile (manager/supervisor, nominator, winner, etc.) are presented later.

### General Process & Program Perceptions

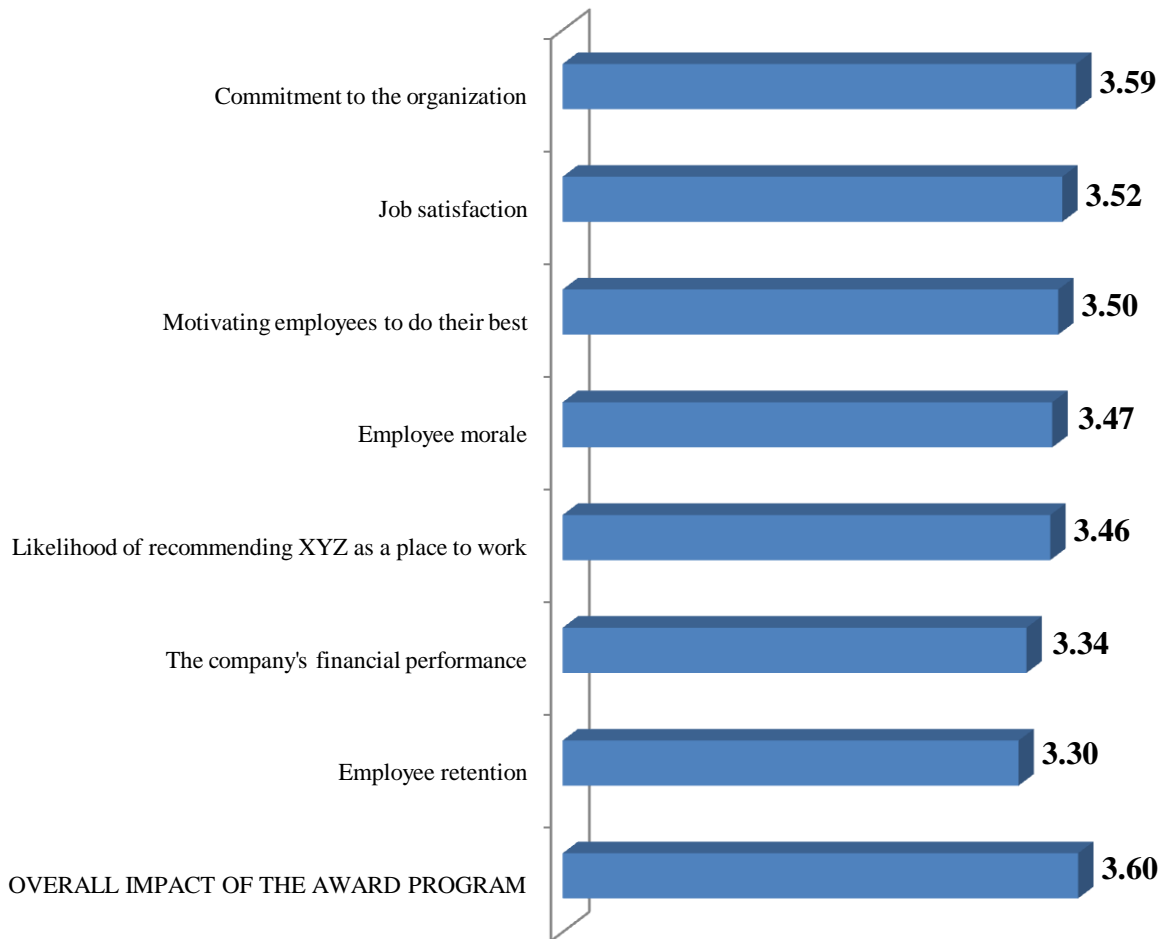
1=Strongly Disagree to 5=Strongly Agree



## Impact of the Program

On a scale ranging from 1=Very Negative Impact to 5=Very Positive Impact, respondents indicated the level of impact the program has on seven factors related to working at XYZ and the overall impact of the program. The chart below includes all respondents; comparisons by respondent profile (manager/supervisor, nominator, winner, etc.) are presented later.

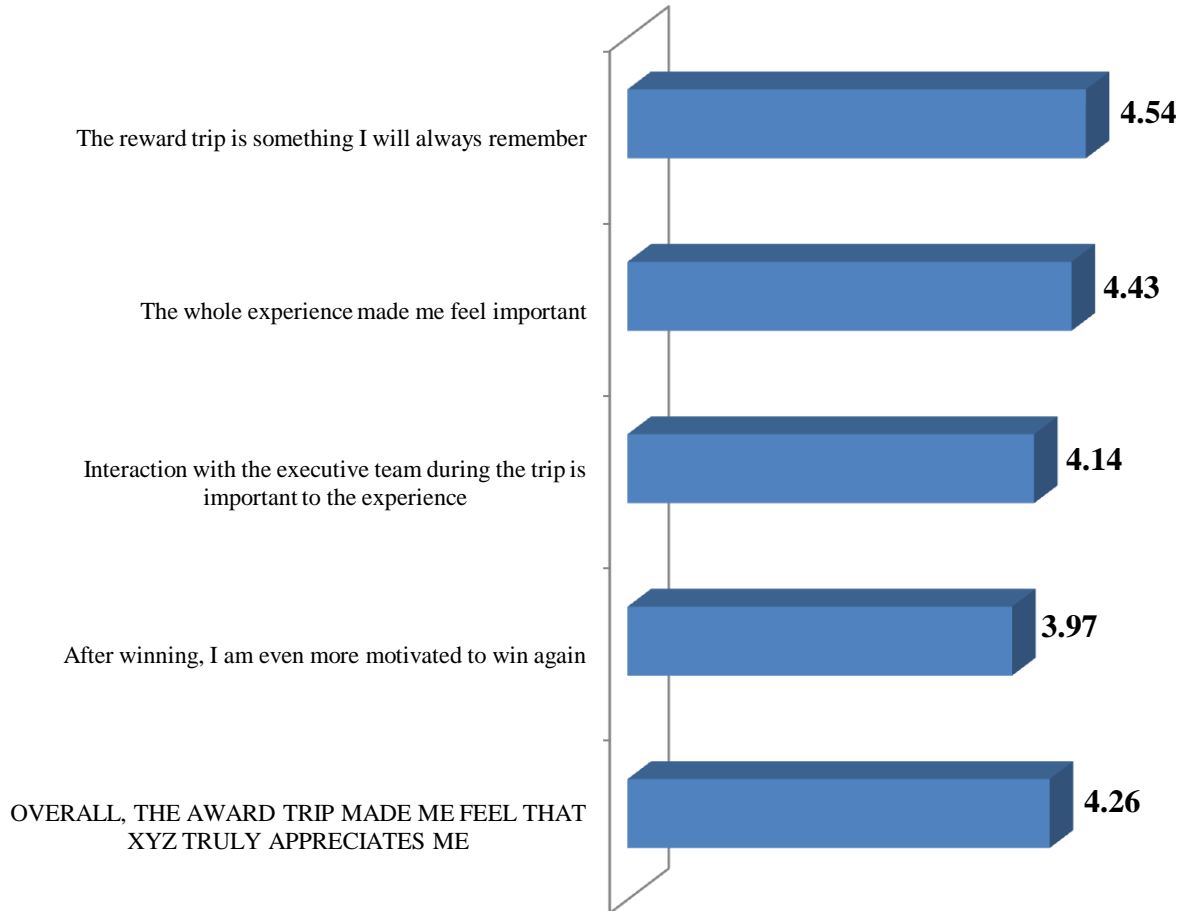
### Impact of the Program 1=Very Negative Impact to 5=Very Positive Impact



## Experience of Past Winners

On a scale ranging from 1=Strongly Disagree to 5=Strongly Agree, award winners indicated their level of agreement with statements regarding the award trip.

### Experience of Past Winners 1=Strongly Disagree to 5=Strongly Agree



## Comparisons – Program Communications

### Rating the Level of Communication by Topic

	Overall	Managers	Non- Managers	Nominated Someone	Past Winners	Nominated, Didn't Win	Potential Winners
N=	256*	103	153	125	73	149	33
The overall purpose of the program	4.17	4.17	4.17	4.20	4.38	4.13	3.94
Why the program is important	3.94	3.92	3.95	3.94	4.23	3.85	3.73
The types of award/nomination categories that exist	3.80	3.74	3.85	3.86	4.01	3.77	3.55
Who is eligible to be nominated for the award	4.02	3.95	4.06	4.06	4.34	3.97	3.55
Who may submit a nomination for a coworker	4.04	4.07	4.03	4.14	4.30	3.97	3.85
How to write a good nomination	3.36	3.35	3.37	3.34	3.70	3.23	3.21
Information shared about winners that showcases their success stories	3.93	3.90	3.94	3.92	4.25	3.81	3.76
Information shared after the award trip is over that showcases the event	3.74	3.70	3.77	3.82	4.01	3.65	3.58

### Rating the Level of Communication From...

	Overall	Managers	Non- Managers	Nominated Someone	Past Winners	Nominated, Didn't Win	Potential Winners
N=	256*	103	153	125	73	149	33
Communications from Upper Management	3.73	3.80	3.69	3.75	4.04	3.62	3.58
Communications from Human Resources	3.58	3.67	3.52	3.61	3.75	3.50	3.58
Communications from Managers/Supervisors	3.26	3.38	3.18	3.28	3.49	3.14	3.30
Communications from Co-Workers	3.09	3.05	3.12	3.14	3.36	2.99	3.00
Overall How Well Is The Program Communicated to Company XYZ Workers	3.66	3.72	3.61	3.66	3.90	3.57	3.51

\* In the survey there is overlap among the groups since managers/supervisors could be a nominator and/or past nominee. Non-managerial nominators also could be a past nominee.



## Comparisons – General Perceptions About Process & Program

	Overall	Managers	Non- Managers	Nominated Someone	Past Winners	Nominated, Didn't Win	Potential Winners
N=	256*	103	153	125	73	149	33
Managers/supervisors are supportive of the program	3.66	3.82	3.56	3.62	3.88	3.54	3.79
The program has a “good mix” of different types of award/nomination categories	3.75	3.85	3.67	3.76	3.97	3.65	3.70
Writing a nomination is easy to do	3.21	3.37	3.11	3.30	3.42	3.10	3.27
Writing a nomination doesn't take that much time	3.13	3.29	3.02	3.21	3.34	3.01	3.21
The process is effective at identifying “worthy” nominees	3.04	3.02	3.06	2.97	3.33	2.93	2.94
Just being nominated is an honor for employees	3.71	3.69	3.73	3.55	3.89	3.66	3.52
The “status” of the person making the nomination impacts how the nominee is evaluated	3.46	3.42	3.48	3.45	3.30	3.55	3.42
Winning the award should be considered a major career accomplishment	3.64	3.57	3.69	3.70	3.89	3.54	3.58
The award program is a good way to recognize teams	3.43	3.38	3.47	3.41	3.74	3.30	3.39
The award program helps support Company XYZ's mission and shared values	3.68	3.70	3.66	3.70	3.93	3.57	3.64
The award trip is an effective reward to motivate employees	3.59	3.66	3.54	3.54	3.95	3.39	3.76

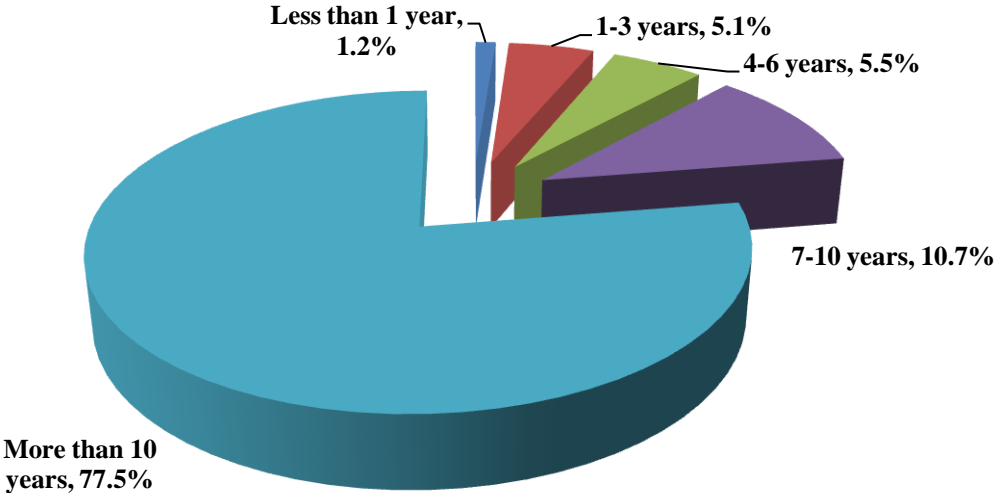
## Comparisons – Impact of the Program

	Overall	Managers	Non- Managers	Nominated Someone	Past Winners	Nominated, Didn't Win	Potential Winners
N=	256*	103	153	125	73	149	33
Motivating employees to do their best	3.50	3.47	3.53	3.42	3.71	3.44	3.36
Employee morale	3.47	3.50	3.44	3.50	3.77	3.35	3.36
Job satisfaction	3.52	3.50	3.54	3.53	3.74	3.45	3.39
Employee retention	3.30	3.27	3.33	3.32	3.41	3.28	3.24
Likelihood of recommending XYZ as a place to work	3.46	3.47	3.46	3.47	3.66	3.39	3.42
Commitment to the organization	3.59	3.59	3.59	3.59	3.78	3.51	3.61
The company's financial performance	3.34	3.33	3.35	3.35	3.53	3.27	3.27
Overall Impact of the Award Program	3.60	3.59	3.60	3.59	3.89	3.49	3.48

\* In the survey there is overlap among the groups since managers/supervisors could be a nominator and/or past nominee. Non-managerial nominators also could be a past nominee.

**Respondent Profile**

**Years at Company XYZ**



## Limitations

This study reviews only one nomination-based incentive travel program in an organization of 2,500 employees. Much larger organizations may find it difficult to replicate the evaluation and selection processes used internally at Company XYZ. Additionally, the program at XYZ provides a unique perspective since changes were made to the program in the past four years. Time sequence data on Company XYZ's program may provide more insight on the impact these recent changes have made on non-financial measures like employee morale, job satisfaction, commitment, and others. Best practices and guideline recommendations are provided based on perceived "bottlenecks" in Company XYZ's program. These areas should be reviewed as part of a program design by organizations considering a similar program. Importantly, and in line with other studies on incentive travel and employee recognition/reward programs in general, it is recommended that all companies develop programs that are specific and consistent with the organization's goals, mission, and shared values. Finally, while qualitative research included a wide representation of the various groups, despite several attempts to increase survey responses from potential winners (eligible employees, never nominated) the response rate from this segment was lower than others and under-represents that segment of the company's overall employee population.

## Conclusions

Recognition and reward programs are widely used to help attain company goals and objectives. A review of past case studies and other literature suggest that many of these programs focus on rewarding top performing salespeople or others that are judged on an objective basis (cost savings, revenue generation, etc.). In comparison, the use of nomination-based incentive travel recognition programs is less understood than these sales-/cost-driven programs. This type of program requires more subjectivity in selecting winners from a nomination process. However, nomination-based and other non-sales incentive travel programs are increasing in popularity.

The preceding case study provides an objective description and analysis of a nomination-based recognition incentive travel program. The case study provides both the incentive travel industry and organizations who may consider implementing a similar program a better understanding of program design and communication issues. The studied program presents a unique case study given the organization has revised the program in the last four years. Lessons learned from these modifications and feedback gained from qualitative and quantitative research with company executives, managers, and employees provides key lessons for other organizations. Recommendations for program design and structure, measurement of program impact, and other details are outlined to assist other organizations in the implementation of a nomination-based recognition incentive travel program.

While award winners clearly are impacted by incentive travel programs such as the one described here, the value and reach extends beyond the award winners and includes co-workers, event/trip vendors, and the local economy of the destination. Company XYZ's program provides a unique model for other organizations considering a similar nomination-based incentive travel program. Recent changes to the company's program have increased the number of nominations and contributed to increased employee morale, job satisfaction, commitment to the organization, and other positive organizational culture aspects. Organizations like Company XYZ should consider these expenditures as an investment in their employees. While Company XYZ has not placed great importance on measuring the impact of a nomination-based incentive travel program on various business outcomes, other firms may want to consider tracking the impact on various non-financial measures like employee engagement, retention, job satisfaction, morale, and

likelihood of recommending XYZ as a place to work, among others. The economic impact of XYZ's program also must be considered beyond the direct travel/event expenditures and should account for the indirect and induced output created by vendor's spending (and their employees, suppliers, etc.).

Qualitative and quantitative data presented in this case study clearly demonstrate the impact and benefits incentive travel can have on employees. Award recipients at XYZ indicate the program has a stronger positive impact on their commitment, morale, job satisfaction, and other measures. Additionally, qualitative feedback from multiple internal stakeholders suggests that the use of incentive travel provides long-lasting benefits that carryover after the trip and may even impact the winner's co-workers. Given the limited number of individuals such a program can reach companies must consider incentive travel programs as one aspect of their overall recognition efforts. However, when combined with everyday and other informal recognition activities, incentive travel offers a memorable experience and other long-lasting effects that cash or other rewards arguably cannot match. In combination, incentive travel provides a "trophy value" beyond the initial recognition announcement and travel event and is likely to have long-lasting effects on performance and morale. Importantly, when incentive travel is paired with these additional recognition efforts, it may ease some of the issues noted with non-winners (nominated, but didn't win) and potential winners (eligible, but never nominated) who may otherwise view the award as unattainable.

## Summary of Key Considerations When Designing a Nomination Based Program

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### Potential Pitfalls in Promoting the Program

- Inconsistent management support across departments
- Myths/misconceptions about the program
  - Who is eligible for program
  - Who is eligible to submit a nomination
  - What is nomination-worthy



### Design Considerations in Selecting Award Categories

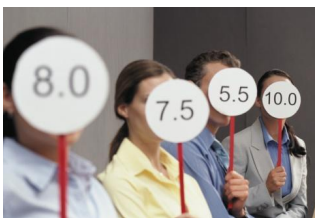
Provide opportunities for employees from across the organization to be nominated

- Single event and/or extended high-level performance?
- Individuals vs. teams or combination?
- Provide clear definitions of each category



### Potential Pitfalls of the Nomination Process

- “Not my role” (Who is eligible to submit)
- Not understanding what is nomination-worthy
- View nomination process as too difficult
  - Not understanding what details to include
  - Other priorities leave no time for nominations
- Disenchantment with program (feel it doesn’t apply)
- Inconsistent management support of program



### Key Design Considerations in Evaluation/Selection

- Who will be involved in evaluation/selection?
- What criteria will be used?
- Transparency of the process/Feedback given?
- Will there be waiting periods for repeat winners?



### Considerations in Program Measurement

- Organizations should match metrics to program goals
- Direct financial measures will be difficult to measure
- This type of program will likely have impact on non-financial issues related HR (retention, morale, etc.)
- Tracking nominations is likely to be a key metric

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## Appendix



# Sample Nomination Form

[Change Nominator](#)

- Individual Nomination
- Team Nomination

Nominee Information - Individual or Team					
	Remove	Name / Individual	Job Title	Department	Business Office Address
<a href="#">Get Name 1 Info*</a>					
<a href="#">Show Names 2 - 8</a>					
<a href="#">Remove</a>					

### Category

\*\*\* Please select a category \*\*\*

#### Achievement/Contribution Description and Supporting Information

- Please provide concise answers to each question below.
- Further information may be requested of Officers/Directors/Regional Managers or Managers/Supervisors.

**Title of Nomination\***

**1. Describe the contribution/achievement as it relates to the category selected.\***  
(Provide specific examples and/or data to support the nomination.)

[Expand](#) [Shrink](#)

**2. What makes the contribution/achievement extraordinary and unique?\***  
(Provide specific examples and/or data.)

[Expand](#) [Shrink](#)

Note: Nomination Title and portions of the nomination Description will be used when announcing nominees and winners.

- [Save as Draft](#)
- [Submit](#)
- [Reset Form](#)
- [Delete](#)
- [Print](#)

\* - Required

## Survey

### How Well Program is Communicated

Please rate the level of COMMUNICATIONS you receive from XYZ on each of the following aspects of the XYZ Award Program.

	Very Poor	Poor	Average	Good	Excellent
The overall purpose of the program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Why the program is important	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The types of award/nomination categories that exist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Who I eligible to be nominated for the award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Who may submit a nomination for a coworker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How to write a good nomination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information shared about winners that showcases their success stories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information shared after the award trip is over that showcases the event	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please rate the level of communication from the following INDIVIDUALS/GROUPS about the XYZ Award Program.

	Very Poor	Poor	Average	Good	Excellent
Communications from Upper Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communications from Human Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communications from Managers/Supervisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communications from Co-Workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OVERALL, HOW WELL IS THE PROGRAM COMMUNICATED TO XYZ WORKERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### General Perceptions About Process & Program

Please indicate your level o agreement with each of the following statements regarding the XYZ Award Program.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Managers/supervisors are supportive of the program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The program has a “good mix” of different types of award/nomination categories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Writing a nomination is easy to do	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Writing a nomination doesn’t take that much time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The process is effective at identifying “worthy” nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Just being nominated is an honor for employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The “status “ of the person making the nomination impacts how the nominee is evaluated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Winning the award should be considered a major career accomplishment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The award program is a good way to recognize teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The award program helps support XYZ’s mission and shared values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The award trip is an effective reward to motivate employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Impact of the Program**

Please rate the level of impact the XYZ Program has on each of the following areas related to working at XYZ.

	Very Negative Impact	Negative Impact	Neutral Impact	Positive Impact	Very Positive Impact
Motivating employees to do their best	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee morale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Likelihood of recommending XYZ as a place to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commitment to the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The company's financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OVERALL IMPACT OF THE AWARD PROGRAM</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Personal Experience With Program**

Have you ever nominated an individual and/or team for the XYZ Program?

- Yes, I have nominated individuals only
- Yes, I have nominated teams only
- Yes, I have nominated both individuals and teams
- No, I have never nominated anyone

Have you ever been nominated for the XYZ Award Program?       Yes                       No

How many times have you been nominated for the XYZ Program?     1 time                       More than 1 time

Have you ever received the XYZ Award?                               Yes                       No

**Award Trip Winners**

Please indicate your agreement with each of the following statements regarding HOW YOU FELT DURING & AFTER the XYZ Award Trip.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The reward trip is something I will always remember	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The whole experience made me feel important	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interaction with the executive team during the trip is important to the experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
After winning, I am even more motivated to win again	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OVERALL, THE AWARD TRIP MADE ME FEEL THAT XYZ TRULY APPRECIATES ME</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**About Yourself**

How long have you worked at XYZ?

- Less than 1 year                       1-3 years                       4-6 years                       7-10 years                       More than 10 years