

IRF Webinar

Metrics of Success for Incentive and Reward Programs



Submit your questions to the Q&A box in the
webinar platform



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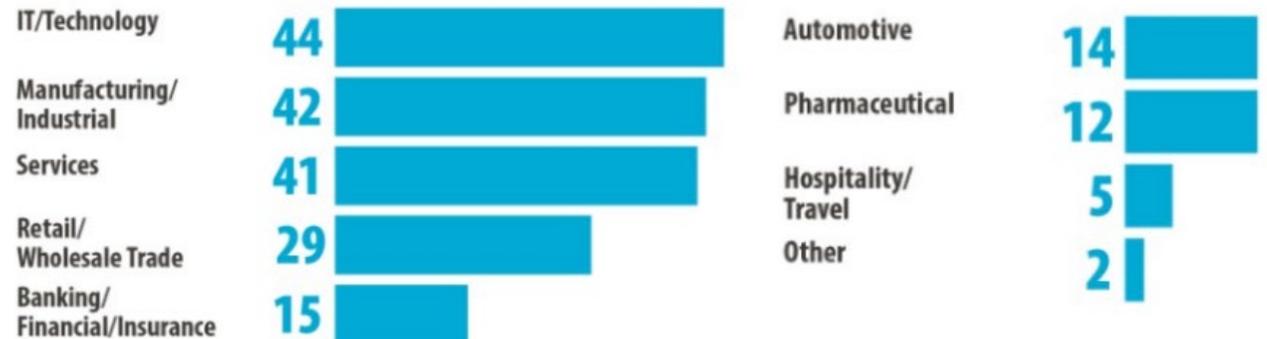
Today's Presenters



Thank you to our Research Advocacy Partner



- 204 respondents total
- Conducted Summer 2019
- Cross-section of US businesses with \$1M or more in revenue
- Decision-makers for non-cash rewards programs
- Multiple industries represented

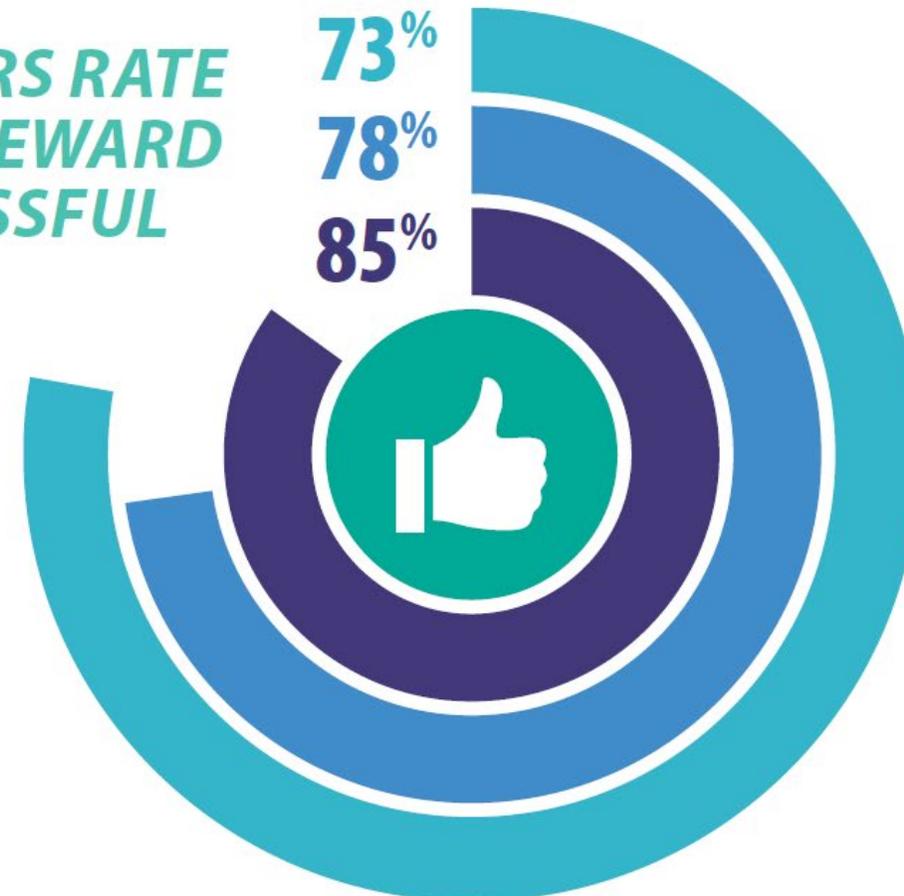


Most program owners viewed their initiatives as successful*

MOST PROGRAM OWNERS RATE THEIR INCENTIVE AND REWARD INITIATIVES AS SUCCESSFUL

ANNUAL COMPANY REVENUE

- \$1 Million to \$99.9 Million
- \$100 Million to \$999 Million
- \$1 Billion or More



Metrics of Success: Program satisfaction, participation, organizational culture and business outcomes

Participant satisfaction is growing in importance over mere participation:

- *Level of satisfaction among participants*
- *How many people talk about it and whether it is received positively*

Participation has always been a leading metric, but it is not mentioned as often as in the past.

- *If people are excited to participate*
- *If it motivates the desired participation*



Many companies look at the overall **organizational culture**:

- *Morale; Motivation; Employee engagement or satisfaction*
- *Employees feel recognized, appreciated, and valued*

Some refer to **business outcomes** (although these tend to be referenced in non-specific terms):

- *Overall revenue or sales*
- *Growth*
- *Productivity*
- *Individual performance*

How budgets would be reduced due to an economic downturn*



43% Reduce proportionately to company-wide budget reductions

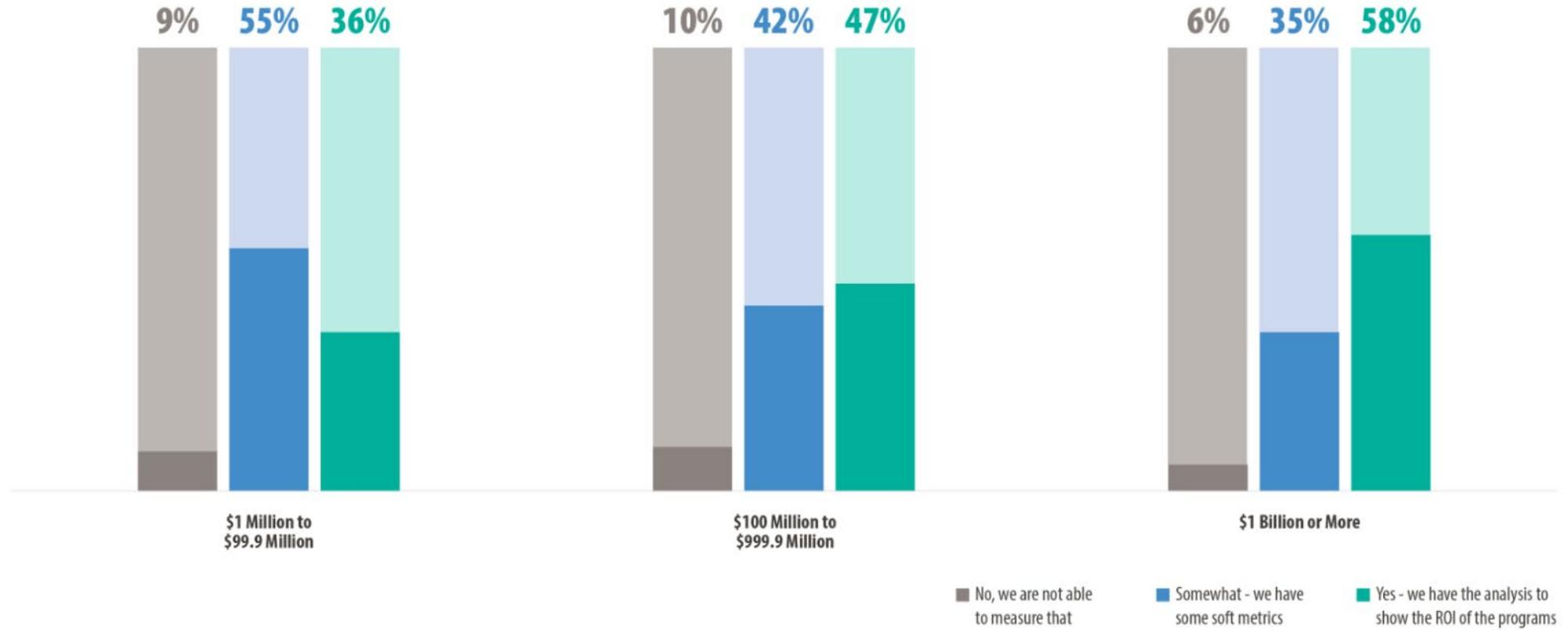
27% Discontinue until business improves

15% Reduce by more than the company average

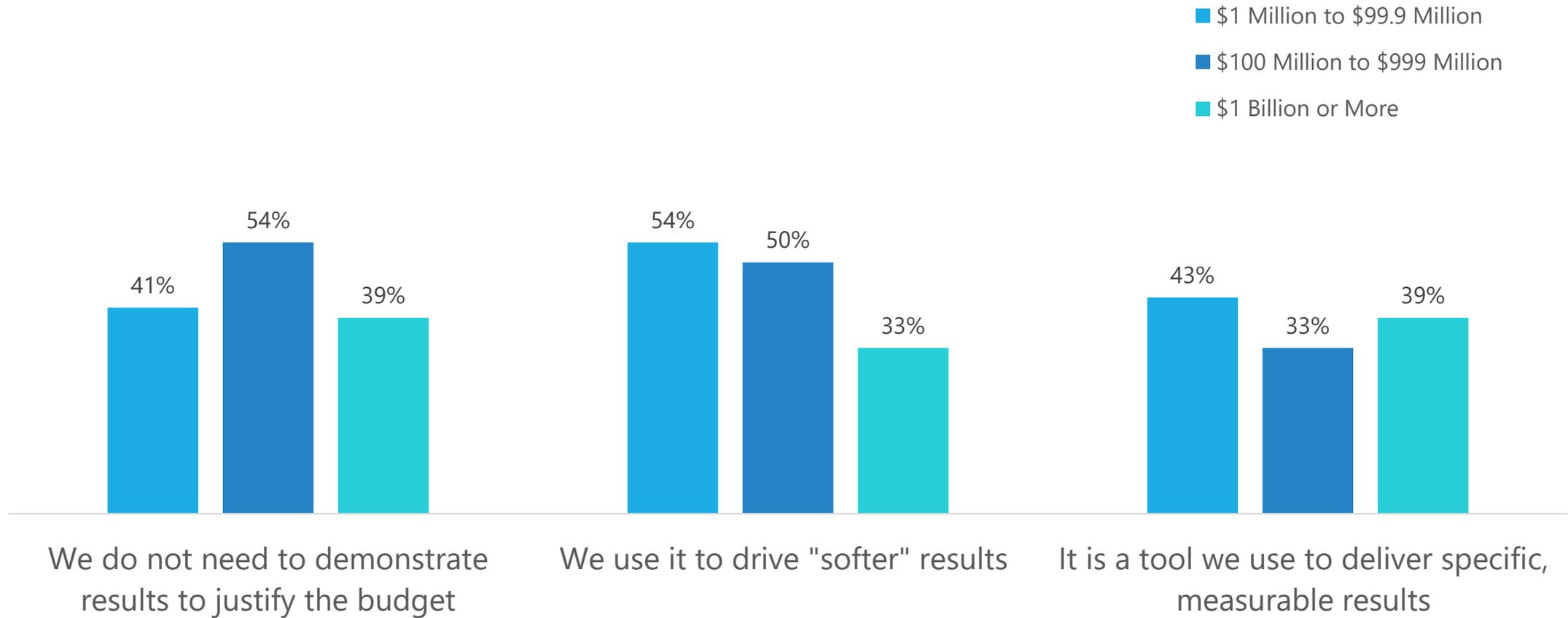
15% No reductions

*Data Collected
Summer 2019

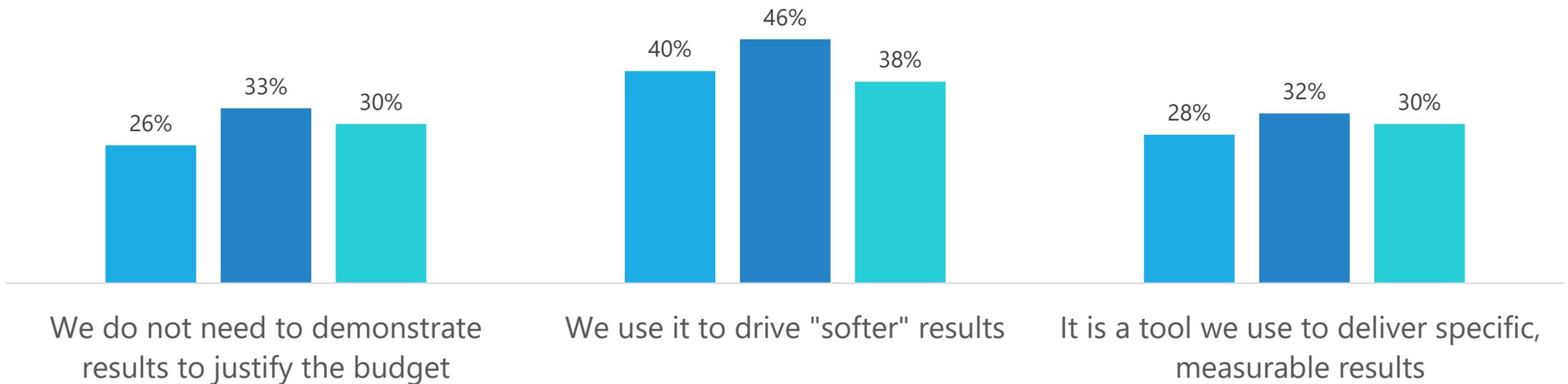
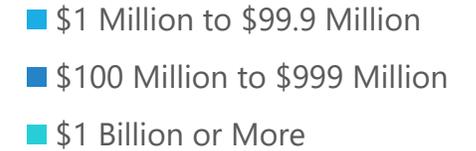
Overall, the Use of Metrics Was Growing



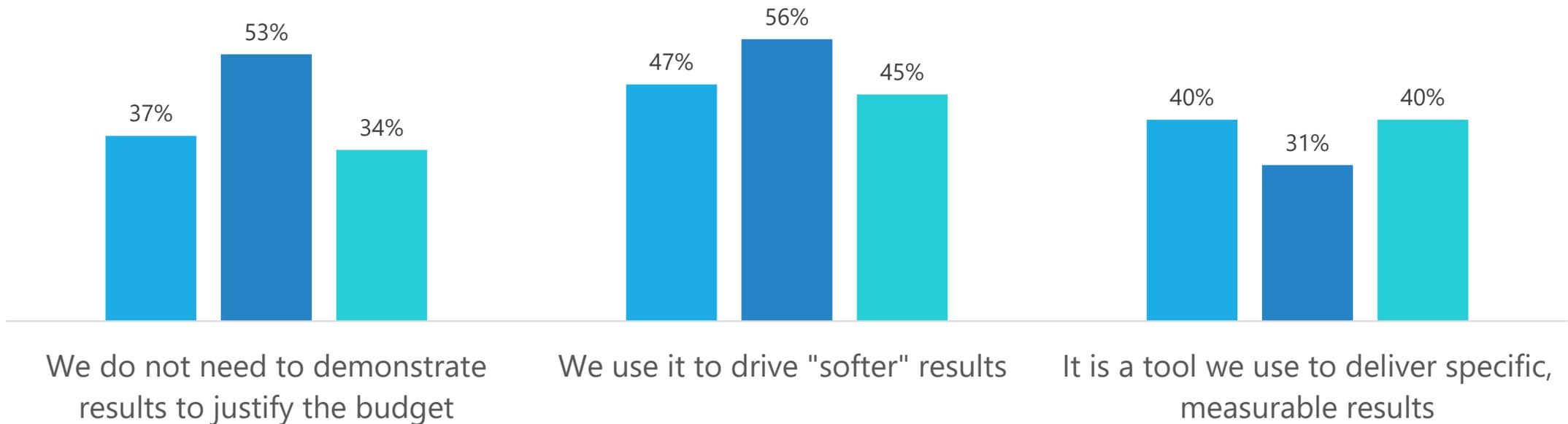
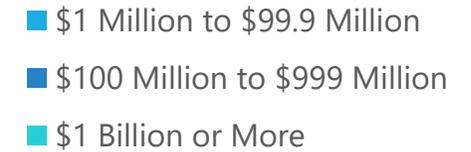
Increased use of metrics to determine budget, although many focused on 'soft' metrics



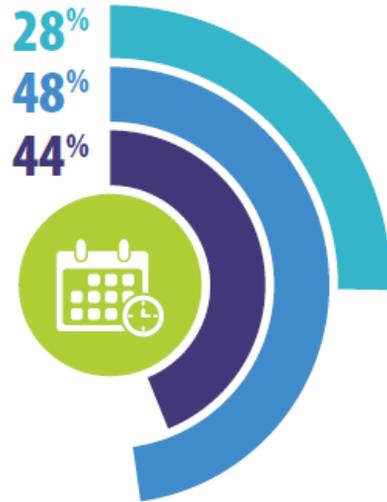
Still most likely to be used for driving 'softer' results for channel partners



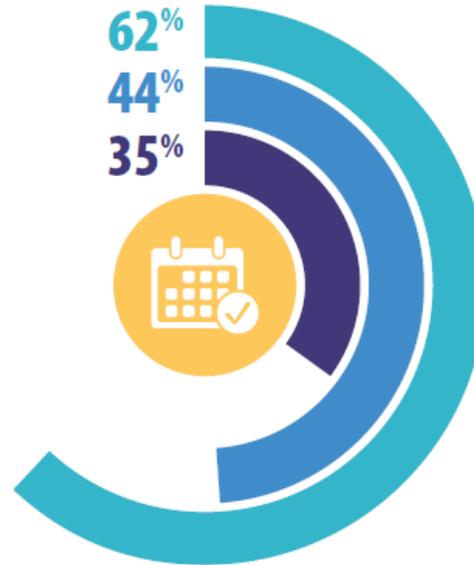
Also most likely to be used for driving 'softer' results for employee programs



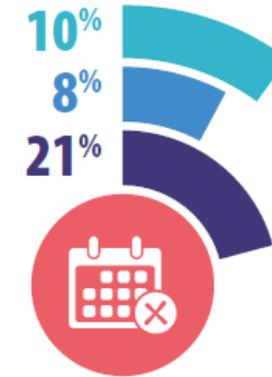
Evaluation approaches vary based on company size



Scheduled, Formal



**Occasional,
as requested or time allows**



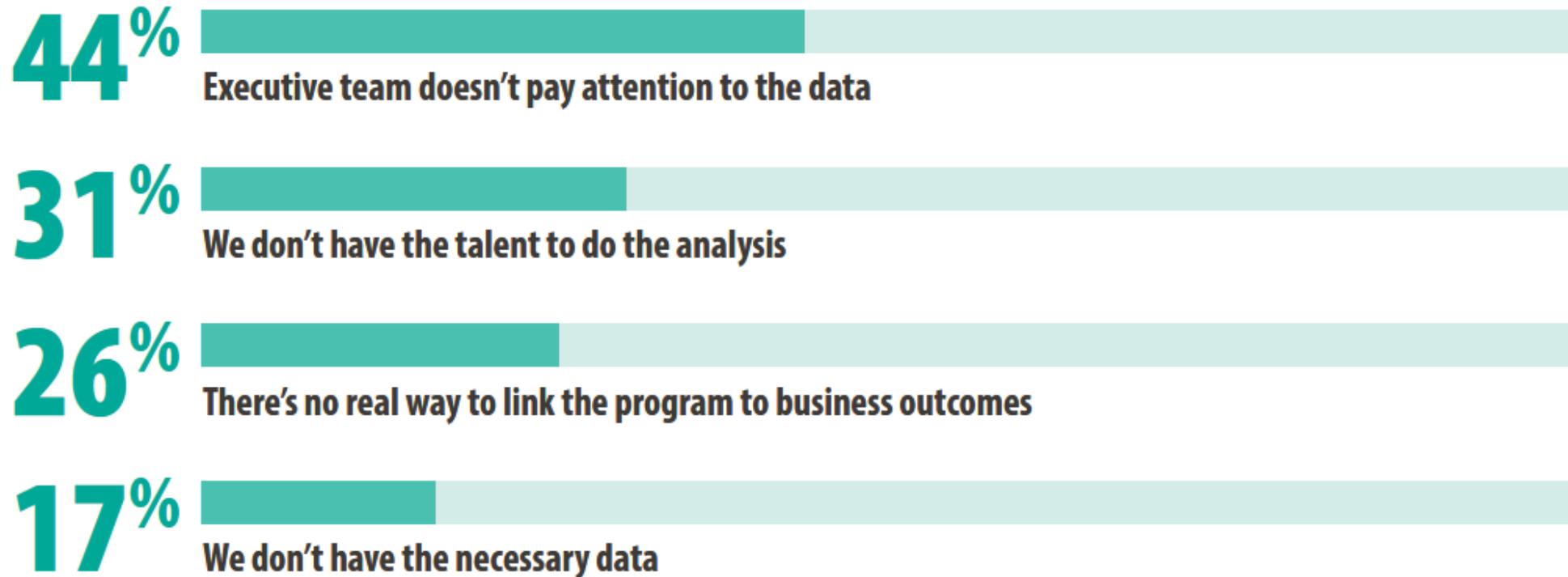
**Infrequent, if an issue or
question comes up**

ANNUAL COMPANY REVENUE

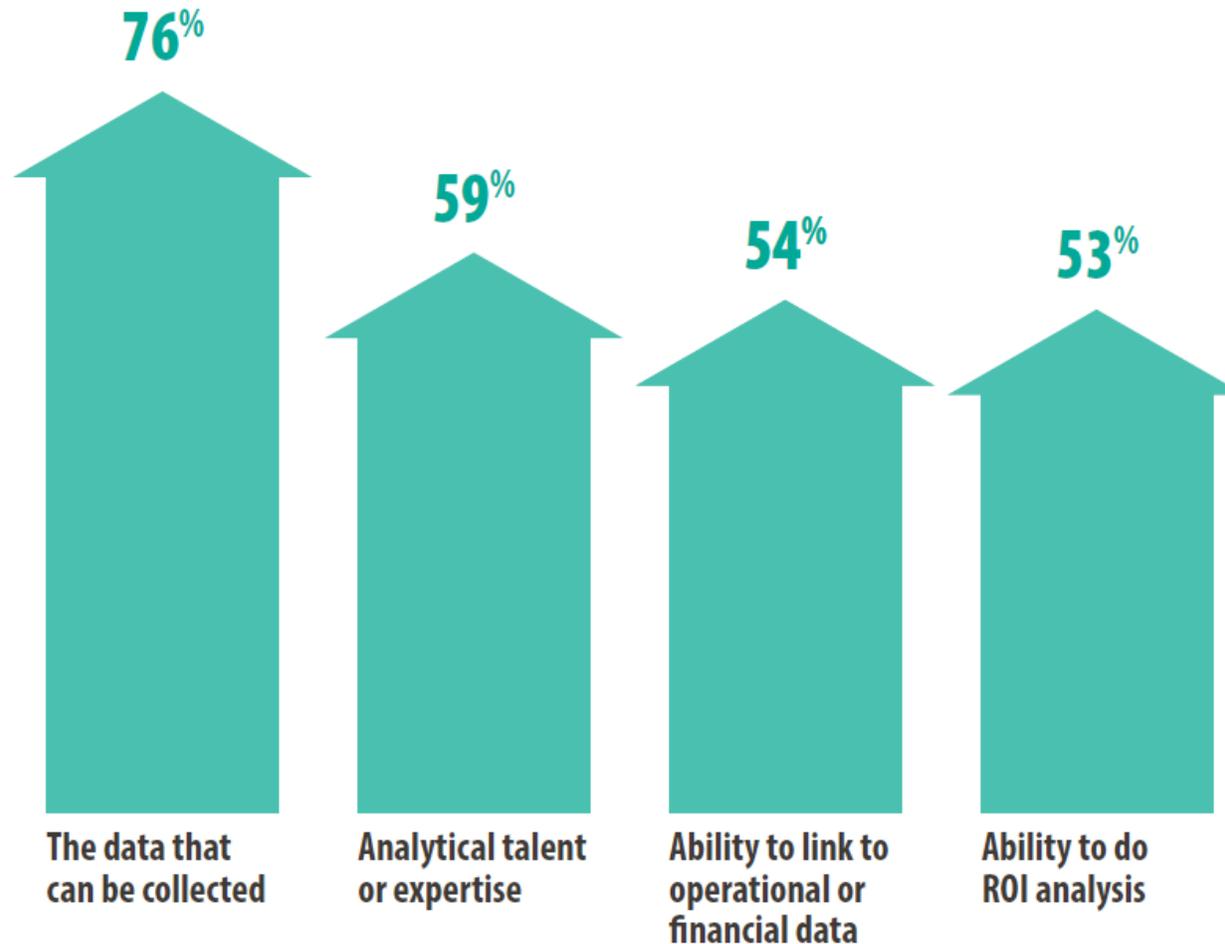
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- \$100 Million to \$999 Million ■
- \$1 Billion or More ■

Lack of executive attention was the biggest challenge across company size

MAIN CHALLENGES TO MEASURING SUCCESS



76% wanted to improve the data they collected/captured



- Only 36% worked with an outside agency to support incentive/rewards programs
- Only 31% worked with external consultants to evaluate their programs
- **81% believed an external partner could produce insight to improve program results**

Lessons Learned



1. Identify ways to create hard ROI stories around your programs.
2. Engage Senior HR managers in measurement efforts.
3. Encourage leaders to proactively report 'hard metrics' to company executives.
4. Have regularly scheduled program reviews.
5. Don't completely forego soft metrics.
6. Don't skimp on bringing in external consultants.

2020
METRICS STUDY



Metrics of Success for Incentive and Reward Programs

This and all other IRF reports are available at TheIRF.org

www.TheIRF.org



The IRF 2020 Metrics of Success
for Incentive and Reward Programs

The Metrics of Success

In times of economic downturn, companies are increasingly pushing for higher accountability for their incentive programs.

Your incentive program is an important tool to motivate your workforce and keep them engaged, particularly as the hard work of rebuilding business begins. Taking steps to position your program as a driver of performance and revenue with a strong combination of hard and soft metrics can help solidify your program's place within your organization.

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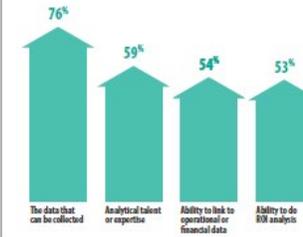


COMPANY SIZE INFLUENCES FREQUENCY OF PROGRAM REVIEW

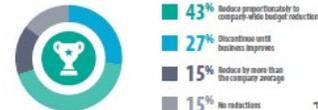


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TOP AREAS FOR IMPROVEMENT



HOW NON-CASH REWARD PROGRAM BUDGETS WOULD BE REDUCED DUE TO AN ECONOMIC DOWNTURN*



*Data Collected Summer 2019

MAIN CHALLENGES TO MEASURING SUCCESS



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