

# Individualized Incentives Taking Hold?



By Richard Kern - *Incentives & Meetings International - the magazine*

07924-002

**FACT:** The average employee population these days encompasses at least three distinct generations, and within each you'll find a bewildering array of lifestyle segments with different needs, goals, and reward triggers. Baby boomers. Baby busters. Gen-X. Gen-Y. Families. Empty-nesters. Single twenty-somethings - you name it, its represented in today's workforce. And these markets are growing more segmented every day.

At the same time, people in the incentive, reward and recognition industries have realized that this diversity creates a dilemma when it comes to motivation. To be fair, they've been saying for years that a "one-size-fits-all" approach isn't always best, but many continue to push the benefits of group incentives and programs with a predetermined, finite set of rewards. After all, if that's what the client wants...

The truth is, you can't have it both ways; eventually something's got to give.

Welcome to the brave new world of individualized incentives, where customization and choice are the watch-words that drive the market. Providers and destinations are on board. The shift is underway. There's just one problem: Most of the corporations that offer incentives to their employees are still mired in the past where group programs rule.

At a recent meeting of the Incentive Research Foundation, individualization was one of the top concerns voiced by the attendees - how to get companies to embrace customized programs that deliver unique rewards to equally unique audiences.

## WHAT'S THE OBJECTIVE?

"For incentive programs to be effective, they need to be well integrated with performance management strategies," says best-selling author and motivation guru Bob Nelson. "A managed [needs to] answer the question, 'What's the best way I can reward this specific employee if he or she does what we both agree needs to be done?' The most effective incentive programs are individualized to those who are participating in the program."

Of course, before determining whether to use individual incentives, organizations should follow Nelson's advice and first look closely at their program objectives and the characteristics of recipients. "You really need to dive deep into what's going to be most appealing." Noted Maritz Travel VP Stephen O'Malley in a recent article on individualized incentive travel, adding that "it comes down to offering [employees] choices."

If objectives include building camaraderie, or if meetings or other group communication efforts are involved, individual travel may not necessarily be the best choice. But if a company is looking for an alternative to traditional cash or merchandise programs, individual travel begins to reveal its appeal. This is especially true if it involves individual customers or dealers who have no desire to take a trip with the corporation or who simply can't meet the timing requirements.

## GAINING INSIGHT

Research gathered from a Maritz survey of incentive travel participants shows that 76% prefer smaller trips that offer choice in dates, destinations and activities.

Maritz notes that clients allowing participants to: a) choose between a family or adult-only trip, b) choose a date that fits their schedule, or c) go on the type of trip they prefer have seen both an increase in qualifiers and a reenergized top-performer group, with sales results exceeding prior years' performance. In addition to performance improvements, many of Maritz' clients who offer more choices are seeing cultural changes within their program participants. The bottom line: Employees and/or channel partners who believe their incentive travel program sponsor is listening to their desires, and acting upon them, generally have more positive attitudes and are more loyal to the company. ❖

**76% prefer smaller trips that offer choice in dates, destinations and activities.**