

## Managing Cash and Non-Cash Employee Motivation Programs



**Project:** Forum for People Performance Management & Measurement

**Purpose:** The Forum asked APR to investigate the effectiveness of Cash and Non-Cash Rewards under various situations and conditions in order to develop a better understanding of which types or forms of motivational programs are best suited for achieving varied organizational objectives, and to provide strategic guidance for organizations providing and using reward/recognition programs.

**Result:** At the end of the first year of this project, a matrix was created that provided a strategic framework for employers who wished to select reward/recognition programs to achieve specific organizational objectives.

### Summary of Research Stages

- **Advisory Committee:** The advisory committee consisted of the Forum's board members and other trade associations who were identified at the beginning of the project. In addition to conference calls with this group, multiple online forums using a Delphi-Technique helped gather their input on key research issues.
- **Extensive Review of Secondary Literature:** APR reviewed 100s of published studies and journal articles related to employee motivation and incentives. In addition to the secondary research, an electronic review of untapped secondary data was completed. Special attention was given to incorporating findings from the CANE model of motivation. A summary report of the various literature reviewed was provided to the client which included key areas missing from past research that should be addressed in current and future research efforts.
- **Key Informant Interviews:** Interviews with key personnel from various companies were completed at the different trade association conferences. The interviews confirmed the key issues to address that were established during the multiple online forums with the advisory committee and the review of secondary data and literature. The interviews also helped create a better understanding of the current motivational environment.
- **Quantitative Research:** The preceding qualitative stages resulted in an extensive questionnaire distributed at four national conferences in the employee motivation arena. Responses were collected from both users and providers of motivation solutions and those from users were utilized in the data analysis aspect of the project. Based on the findings the following conclusions were drawn and used to develop a management matrix tool.
- Non-cash incentives tend to be more successful in situations where managers are attempting to generate non-tangible outcomes. Cash incentives tend to be more relevant and successful in situations where short-term tangible results are the goal (increasing sales, improving customer acquisition/referrals). While this study reported on managerial views on the effectiveness of employee incentives in achieving organizational objectives and reports the mean ranking of ten specific organizational goals, we identified the need for employee viewpoints. Requisites for program success were shared with the organization and recommended for all managers considering using incentives or other motivation programs.
- Based on findings and research recommendations, the Forum is undergoing a longer-term research program to identify employee's viewpoints on motivation programs as well as to delve into specific situations for various motivation programs. Currently, organizations are being recruited to provide access for the research team to survey employees, managers, and provide access to internal company data on the effects of the motivation programs on specific organizational objectives.

**Testimonial:** Dr. Peltier and his staff at APR are extremely responsive to the needs of their clients. They have a keen sense of understanding what needs to be done and the best research process for resolving areas of concerns. I was very impressed with not only the quality of their work, and particularly with regard to how fast they would respond to any and all of our questions as the process unfolded.

**- Bruce Bulger, Forum for People Performance Management and Measurement.**