

Incentives, Motivation and Workplace Performance: Research and Best Practices

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Despite the fact that U.S. organizations spend over \$100 billion annually on incentive programs, many business people question their effectiveness. Now, a ground-breaking study proves that incentive programs can boost performance by anywhere from 25 to 44 percent, but only if conducted in ways that address all issues related to performance and human motivation. The study found that most organizations lack the knowledge or will to create properly constructed programs that yield desired results.

The Incentive Federation determined in 2010 that North American organizations spent approximately \$27 billion a year on merchandise and travel incentives. Cash incentives included, the total exceeds \$115 billion. But surprisingly, few organizations apply formal return on investment processes or measures to their incentive program design.

Numerous researchers have studied the impact of incentives and related programs for at least 100 years without establishing a clear consensus among business circles as to whether or not incentive programs deliver measurable and meaningful performance results.

“Incentives, Motivation and Workplace Performance: Research & Best Practices” was designed to analyze the complete body of scientific research on incentive programs, determine what if any research-supported conclusions exist as to their effectiveness and the circumstances under which they can succeed, and to benchmark these findings with actual business conditions through surveys and interviews with business executives whose organizations use incentives.

The study was designed to help answer four questions: Do incentives increase work performance (and under what circumstances)? Which incentive programs are most effective? What types of organizations need incentives? And what model best expresses how to select and implement successful programs?

The researchers began by conducting a thorough “meta-analysis” of existing scientific research on incentive programs to identify any trends regarding their effectiveness, and the elements that lead to success or failure.

The search process included every known source of research on the topic, excluding those studies that failed to live up to or those conducted by commercial organizations with some potential axe to grind. The final meta-analysis was based on 45 existing studies that met researchers’ exacting standards. To compare research results with current practices, researchers conducted surveys via the Internet and telephone of 145 U.S. organizations that use incentive systems.

Benefits of Globalization

The rise of globalization has created interdependent markets that highlight the pros and cons of leveraging foreign exchange. Many proponents of global business argue that mutual benefits derive from the global specialization of products and services. The general stance is that the benefits of globalization outweigh the economic and social costs by achieving higher efficiency and by providing GDP growth in underdeveloped regions.

One pro-globalization argument involves how, based on per capita GDP growth rates, developing countries become wealthier. In the 1960s, non-globalized economies grew at an annual rate of 1.4% while globalized economies grew at 4.7%. Another relationship between globalization and GDP was seen in the 1990s when developing countries had 5.0% annual growth compared to only 2.2% annual growth in economies that had been globalized for longer. This correlation between globalization and annual growth demonstrates benefits to international trade, economic development, and standards of living.

A second argument in favor of globalization involves the rise of political philosophies, based on the assumption that free markets follow a natural trajectory towards democratic and capitalistic philosophies. This argument has two key assumptions, the first being that these political perspectives represent an overall improvement on standards of living and the second being that the correlation between globalization and these principles is significant. Using these assumptions, increasing global trade increases political stability and also increases job opportunities, technological progress, and equality.

A final argument supporting globalization's benefits focuses on how globalization leads to the increased availability of diverse products, services, and technology. Through pooling knowledge and exchanging more goods and services, domestic economies expand and benefit from technological and medical developments. This increase in variety, even in basic goods, allows someone in Spain to drink Italian wine and eat French cheese while typing on a Chinese keyboard. Global exchange can allow the best of all worlds through specialization and maximizing various comparative advantages that involve quality or efficiency.

Combining these three arguments, those in favor of globalization theorize that a wider array of products, services, technologies, medicines, and knowledge will become available and that these developments will have the potential to reach significantly larger customer bases. This means larger volumes of sales and exchange, larger growth rates in GDP, and more empowerment of individuals and political systems through acquiring additional resources and capital. These benefits of globalization are viewed as utilitarian, providing the best possible benefits for the largest number of people.

Why Printed Books Will Never Die

There is reason to hope that e-books and print books could have a bright future together, because for all the great things e-books accomplish — convenience, selection, portability, multimedia — there are still some fundamental qualities they will simply never possess.

E-books can't be beautiful — as a medium, e-books are still new and designers have yet to fully realize their potential. But for paper books, we're already there. The book cover evolved as a marketing tool. It had to grab your attention from its place on the shelf. For that reason, the best designed covers were often beautiful art pieces. Not so in the digital world. The cover image may help quickly ground us, but our eyes are drawn by habit to number and quality of reviews. And though that might eventually free book designers to get more creative with their designs, you can't display a digital book, even if you wanted to. Any electronic book that boasts beautiful design, does so only ethereally. But for people who truly love books, print is the only medium that will satisfy.

The PBS website MediaShift recently asked a group of book lovers in Chapel Hill and Durham, N.C. which they preferred: printed or electronic books? Those who preferred printed books cited things like the smell, the feel and the weight as reasons.

"Paper books don't get replaced by e-books, because there's just part of the experience you can't reproduce," said one man. But if e-books just replace mass market paperbacks will books become merely art pieces? Some pundits think so. Writing last year in *Slate*, Michael Agresta argued that printed books will only survive as art. Books are no longer a good "vessel for text," he wrote. "Bookshelves will survive in the homes of serious digital-age readers, but their contents will be much more judiciously curated. The next generation of paper books will likely rival the art hanging beside them on the walls for beauty, expense, and 'aura' — for better or for worse."

In some ways, Agresta is correct. It would be smart to bet that print sales will continue to decline, while e-book sales will continue to rise. Most people will own fewer printed books, and those they do own may very well be beautiful collector's editions, like the *50 Shades* hard covers, meant for display. But it's a mistake to assume that this is a case of the MP3 replacing the CD, or the CD replacing the cassette. E-books are not simply a better format replacing an inferior one; they offer a wholly different experience.

Brian Haberlin is one of the co-authors of *Anomaly*, an ambitious printed graphic novel, augmented by a smartphone app that makes animations leap off the page while you read. I asked why he chose to print the heavy, unwieldy and expensive hardcover edition. His answer was simple: "Because books are cool! I love print, always will. I love digital, always will. But they will continue to be different experiences. It's a different texture, a different experience and that alone warrants their existence." But there may come a time when we look at electronic books and printed books as similarly divergent mediums.